Central States, Southeast and Southwest Areas Pension Plan

Item #7

Description of Item

The plan actuary's certification that the plan is projected to avoid insolvency if the suspension takes effect and the supporting illustrations, including:

- the year-by-year projections demonstrating projected solvency during the relevant period and
- separately identifying the available resources (and the market value of assets and changes in cash flow) during each of those years.

See section 3.02.

The information is provided in document number 7.1 (Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i) of Proposed Benefit Suspensions as of July 1, 2016).

Document number 7.2 (Actuarial Valuation and Review as of January 1, 2015) is the January 1, 2015 Actuarial Valuation Certificate document referenced in document number 7.1.

Central States, Southeast and Southwest Areas Pension Plan

Actuarial Certification of Plan Solvency under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i) of Proposed Benefit Suspensions as of July 1, 2016

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Segal Consulting

333 WEST 34TH STREET, NEW YORK, NY 10001-2402
T 212.251.5000 www.segalco.com

September 18, 2015

Board of Trustees
Central States, Southeast and Southwest Areas Pension Plan
9377 West Higgins Road
Rosemont, Illinois 60018-4938

Dear Trustees:

As requested by the Trustees and required by ERISA Section 305(e)(9)(C)(i) and Internal Revenue Code (IRC) Section 432(e)(9)(C)(i) (taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34), we have completed an actuarial analysis of the Trustees' proposed benefit suspensions under ERISA Section 305 and IRC Section 432 that are permitted because of the Plan's critical and declining status. Based on our analysis, we project that the proposed suspensions of benefits are reasonably estimated to enable the Plan to avoid insolvency within the meaning of ERISA Section 4245 and IRC Section 418E, assuming the suspensions of benefits continue indefinitely and both the benefit accrual reduction and other plan changes become effective upon the proposed July 1, 2016 suspension effective date in accordance with the terms and effective dates summarized in this certification. In addition, this analysis demonstrates that the requirements under ERISA Section 305(e)(9)(D)(iv) and IRC Section 432(e)(9)(D)(iv) (taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34) have been satisfied.

The attached exhibits outline the projections performed in accordance with the statute, the published regulations thereunder, the assumptions used in the projections, and a summary of the proposed benefit suspensions. These projections have been prepared based on the Actuarial Valuation as of January 1, 2015 and the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432 in accordance with generally accepted actuarial principles and practices and a current understanding of the law. The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, EA.

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA, the Internal Revenue Code, and reliance on the proposed and temporary IRS regulations in the absence of final regulations.

Sincerely,

Segal Consulting, a Member of The Segal Group

By: [redacted]

Steven M. Rabinowitz, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

[redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary

cc: *Mr. Thomas Nyhan*
Mr. Mark Angerame
Gary Ford, Esq.

5526211v5/10346.001

EIN 36-6044243/PN 001

September 18, 2015

ACTUARIAL SOLVENCY CERTIFICATION UNDER ERISA SECTION 305(E)(9)(C)(I) AND IRC SECTION 432(E)(9)(C)(I)

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. (“Segal”), has prepared an actuarial solvency certification under ERISA Section 305(e)(9)(C)(i) and Internal Revenue Code Section 432(e)(9)(C)(i), taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34, for the Central States, Southeast and Southwest Areas Pension Plan based on participant data as of December 31, 2014 and asset values as of June 30, 2015 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in meeting the filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

Based on the items discussed below, the proposed benefit suspensions are reasonably estimated to enable the Plan to avoid insolvency within the meaning of ERISA Section 4245, assuming the suspensions of benefits continue indefinitely and both the benefit accrual reduction and other plan changes become effective upon the proposed July 1, 2016 suspension effective date in accordance with the terms and effective dates summarized in this certification. In addition, this analysis demonstrates that the requirements under ERISA Section 305(e)(9)(D)(iv) and IRC Section 432(e)(9)(D)(iv) (taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34) have been satisfied.

Note that, as required by law, this certification is only intended to demonstrate that the proposed Plan changes are reasonably projected to be sufficient to avoid insolvency within the meaning of ERISA Section 4245 and IRC Section 418E. The measurements shown in this actuarial certification are not applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; differences in statutory interpretation; differences in methodology, changes in plan provisions and changes in applicable law. Due to the legal requirements for this certification, it does not include an analysis of such future measurements.

This certification is based on the January 1, 2015 actuarial valuation, dated August 14, 2015, as well as the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA), taking into account temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34. As required by proposed IRS regulations, assets were updated to June 30, 2015 based on actual experience. Additional assumptions required for the projections (including those required under MPRA and regulations thereunder), and sources of financial information used are summarized in Exhibit VI. A summary of the proposed benefit suspensions is included in Exhibit VII.

EIN 36-6044243/PN 001

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal's understanding as an actuarial firm. Based on discussions with the Plan's legal counsel, it is our understanding that the proposed benefit suspensions satisfy the requirements for such as set forth in MPRA.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. The projected future employment and contribution levels (including projected withdrawal liability payments) are based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected future employment and contribution information provided by the plan sponsor) offer my best estimate of anticipated experience under the Plan.

[redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 14-05773

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EXHIBIT I
Summary of Key Information and Results

A summary of key information and of the results of the different tests (and subtests) required for the certification are shown below.

A. Key Information

1.	Proposed effective date of suspension of benefits	July 1, 2016
2.	End of extended period	December 31, 2064
3.	Projected funded percentage (under IRC Section 432(j)(2)) at end of extended period	40%*
4.	Probability the Plan will avoid insolvency through the extended period	50.4%
5.	Number of Plan participants (based on January 1, 2015 actuarial valuation)	397,492
6.	Is the proposed suspension in combination with a partition?	No

** See Exhibit VI of report titled: Application under ERISA Section 305(e)(9) and IRC Section 432(e)(9) – Additional Information*

B. Limitation on aggregate size of suspension

1. The proposed suspension is reasonably estimated to enable the Plan to avoid insolvency
   a. The solvency ratio is projected on a deterministic basis to be at least 1.0 for each plan year throughout the extended period. (See Exhibit III)
   b. The Plan's projected funded percentage at the end of the extended period does not exceed 100%, but the Plan's solvency ratio and its available resources are not projected to decrease at any time during the last five plan years of the extended period. (See Exhibit III)
   c. Based on stochastic projections, the probability that the Plan will avoid insolvency throughout the extended period is more than 50%. (See Exhibit V)

   Because of the results summarized in B.1, the proposed suspension of benefits satisfies the requirement that it be reasonably estimated to enable the Plan to avoid insolvency.
2. The proposed suspension does not materially exceed the level that is necessary to avoid insolvency, as required under IRC Section 432(e)(9)(D)(iv)
   a. The Plan would fail one or more of the tests in B.1 if the dollar amount of the proposed benefits suspension for each participant and beneficiary were 5% smaller. (see Exhibit IV)
   b. The PBGC did not issue an order partitioning the Plan.

   Because of the results in B.2, the proposed suspension of benefits satisfies the requirements that the proposed suspension not materially exceed the level that is necessary to avoid insolvency.

The proposed benefit suspension satisfies the limitation on aggregate size of suspension.

EXHIBIT II

Development of Projected 2015 Assets

The actual change in Market Value of Assets from January 1, 2015 through June 30, 2015, as provided by the Fund Office in the Central States Funds Financial and Analytical Information as of June 30, 2015 report, and the projected Market Value of Assets through December 31, 2015 are shown below.

	Year Beginning January 1, 2015		
	From January 1, 2015 Through June 30, 2015	**Projected from July 1, 2015 Through December 31, 2015**	**Total for Plan Year**
1. Market Value at beginning of period	$17,863,105,558	$17,330,922,000	$17,863,105,558
2. Contributions	290,988,000	294,701,791	585,689,791
3. Withdrawal liability payments	264,988,000	133,712,000	398,700,000
4. Benefit payments	1,406,943,000	1,427,786,254	2,834,729,254
5. Administrative expenses	25,576,000	23,524,000	49,100,000
6. Investment earnings	344,359,442	619,327,802	963,687,244
7. Market Value at end of period: (1)+(2)+(3)-(4)-(5)+(6)	$17,330,922,000	$16,927,353,339	$16,927,353,339

EXHIBIT III

Deterministic Projection of Proposed Suspension

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2016 through 2064.

	Year Beginning January 1				
	2016	**2017**	**2018**	**2019**	**2020**
1. Market Value at beginning of year	$16,927,353,339	$16,331,962,529	$16,138,746,117	$15,933,085,955	$15,711,352,718
2. Contributions	571,437,939	565,171,453	563,691,836	562,913,672	562,173,001
3. Withdrawal liability payments	128,698,507	137,397,014	137,397,014	137,397,014	97,397,014
4. Benefit payments	2,452,281,202	2,023,127,151	2,018,748,103	2,017,650,584	2,019,185,277
5. Administrative expenses	45,390,000	46,297,800	47,223,756	48,168,231	49,131,596
6. Investment earnings	1,202,143,946	1,173,640,072	1,159,222,847	1,143,774,892	1,125,523,448
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$16,331,962,529	$16,138,746,117	$15,933,085,955	$15,711,352,718	$15,428,129,308
8. Available resources: (1)+(2)+(3)-(5)+(6)	$18,784,243,731	$18,161,873,268	$17,951,834,058	$17,729,003,302	$17,447,314,585
9. Solvency ratio: (8) ÷ (4)	7.660	8.977	8.893	8.787	8.641
	2021	**2022**	**2023**	**2024**	**2025**
1. Market Value at beginning of year	$15,428,129,308	$15,118,737,641	$14,784,282,024	$14,421,684,389	$14,027,846,076
2. Contributions	560,315,592	559,816,067	559,425,993	557,791,789	556,662,107
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,021,093,670	2,021,384,223	2,022,919,141	2,024,141,778	2,022,225,922
5. Administrative expenses	50,114,228	51,116,512	52,138,842	53,181,619	54,245,252
6. Investment earnings	1,104,103,625	1,080,832,037	1,055,637,341	1,028,296,281	998,748,005
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$15,118,737,641	$14,784,282,024	$14,421,684,389	$14,027,846,076	$13,604,182,028
8. Available resources: (1)+(2)+(3)-(5)+(6)	$17,139,831,311	$16,805,666,247	$16,444,603,529	$16,051,987,855	$15,626,407,950
9. Solvency ratio: (8) ÷ (4)	8.480	8.314	8.129	7.930	7.727

EXHIBIT III (continued)

Deterministic Projection of Proposed Suspension

	Year Beginning January 1				
	2026	**2027**	**2028**	**2029**	**2030**
1. Market Value at beginning of year	$13,604,182,028	$13,157,663,999	$12,692,807,764	$12,209,386,774	$11,709,970,263
2. Contributions	560,977,991	566,689,834	572,714,953	578,724,941	585,172,624
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,016,858,517	2,006,860,725	1,996,046,783	1,981,376,735	1,962,064,454
5. Administrative expenses	55,330,157	56,436,760	57,565,495	58,716,805	59,891,141
6. Investment earnings	967,295,640	934,354,402	900,079,321	864,555,074	828,020,796
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$13,157,663,999	$12,692,807,764	$12,209,386,774	$11,709,970,263	$11,198,605,102
8. Available resources: (1)+(2)+(3)-(5)+(6)	$15,174,522,516	$14,699,668,489	$14,205,433,557	$13,691,346,998	$13,160,669,556
9. Solvency ratio: (8) ÷ (4)	7.524	7.325	7.117	6.910	6.708
	2031	**2032**	**2033**	**2034**	**2035**
1. Market Value at beginning of year	$11,198,605,102	$10,682,177,868	$10,163,648,828	$9,644,452,837	$9,128,144,492
2. Contributions	592,330,713	600,343,200	607,995,601	615,677,379	623,612,529
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,935,937,672	1,907,422,127	1,876,987,130	1,843,082,255	1,805,432,382
5. Administrative expenses	61,088,964	62,310,743	63,556,958	64,828,097	66,124,659
6. Investment earnings	790,871,675	753,463,616	715,955,482	678,527,614	641,465,306
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$10,682,177,868	$10,163,648,828	$9,644,452,837	$9,128,144,492	$8,619,062,300
8. Available resources: (1)+(2)+(3)-(5)+(6)	$12,618,115,539	$12,071,070,955	$11,521,439,967	$10,971,226,747	$10,424,494,682
9. Solvency ratio: (8) ÷ (4)	6.518	6.328	6.138	5.953	5.774

EXHIBIT III (continued)

Deterministic Projection of Proposed Suspension

	Year Beginning January 1				
	2036	**2037**	**2038**	**2039**	**2040**
1. Market Value at beginning of year	$8,619,062,300	$8,115,307,577	$7,616,840,535	$7,137,486,196	$6,681,807,235
2. Contributions	632,595,337	642,113,530	651,299,231	661,149,369	671,111,676
3. Withdrawal liability payments	88,698,507	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,762,458,157	1,720,416,336	1,673,770,471	1,624,745,406	1,575,974,640
5. Administrative expenses	67,447,152	68,796,095	70,172,017	71,575,458	73,006,967
6. Investment earnings	604,856,742	568,631,859	533,288,918	499,492,534	467,465,420
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$8,115,307,577	$7,616,840,535	$7,137,486,196	$6,681,807,235	$6,251,402,724
8. Available resources: (1)+(2)+(3)-(5)+(6)	$9,877,765,734	$9,337,256,871	$8,811,256,667	$8,306,552,641	$7,827,377,364
9. Solvency ratio: (8) ÷ (4)	5.605	5.427	5.264	5.113	4.967
	2041	**2042**	**2043**	**2044**	**2045**
1. Market Value at beginning of year	$6,251,402,724	$5,850,571,350	$5,478,891,145	$5,140,185,357	$4,835,488,999
2. Contributions	681,490,405	692,115,990	701,662,146	711,597,298	721,567,177
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,525,275,423	1,477,338,391	1,426,714,399	1,377,835,110	1,330,365,190
5. Administrative expenses	74,467,106	75,956,448	77,475,577	79,025,089	80,605,590
6. Investment earnings	437,420,750	409,498,644	383,822,042	360,566,543	339,809,039
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$5,850,571,350	$5,478,891,145	$5,140,185,357	$4,835,488,999	$4,565,894,435
8. Available resources: (1)+(2)+(3)-(5)+(6)	$7,375,846,772	$6,956,229,536	$6,566,899,756	$6,213,324,109	$5,896,259,625
9. Solvency ratio: (8) ÷ (4)	4.836	4.709	4.603	4.509	4.432

EXHIBIT III (continued)
Deterministic Projection of Proposed Suspension

	Year Beginning January 1				
	2046	**2047**	**2048**	**2049**	**2050**
1. Market Value at beginning of year	$4,565,894,435	$4,331,679,178	$4,129,688,434	$3,960,359,402	$3,822,617,442
2. Contributions	731,843,424	742,245,939	752,522,902	763,071,031	773,714,451
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,285,440,026	1,246,207,190	1,208,724,004	1,174,875,323	1,143,469,283
5. Administrative expenses	82,217,702	83,862,056	85,539,297	87,250,083	88,995,085
6. Investment earnings	321,599,047	305,832,563	292,411,367	281,312,415	272,493,187
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$4,331,679,178	$4,129,688,434	$3,960,359,402	$3,822,617,442	$3,716,360,712
8. Available resources: (1)+(2)+(3)-(5)+(6)	$5,617,119,203	$5,375,895,625	$5,169,083,406	$4,997,492,766	$4,859,829,995
9. Solvency ratio: (8) ÷ (4)	4.370	4.314	4.276	4.254	4.250
	2051	**2052**	**2053**	**2054**	**2055**
1. Market Value at beginning of year	$3,716,360,712	$3,642,421,797	$3,598,517,304	$3,585,797,683	$3,601,857,826
2. Contributions	784,463,143	795,478,093	806,560,580	817,889,419	829,393,663
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,113,607,162	1,088,512,790	1,064,511,941	1,045,292,911	1,027,239,005
5. Administrative expenses	90,774,987	92,590,487	94,442,296	96,331,142	98,257,765
6. Investment earnings	265,980,091	261,720,691	259,674,036	259,794,777	262,035,471
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$3,642,421,797	$3,598,517,304	$3,585,797,683	$3,601,857,826	$3,647,790,190
8. Available resources: (1)+(2)+(3)-(5)+(6)	$4,756,028,959	$4,687,030,094	$4,650,309,624	$4,647,150,737	$4,675,029,195
9. Solvency ratio: (8) ÷ (4)	4.271	4.306	4.368	4.446	4.551

EXHIBIT III (continued)
Deterministic Projection of Proposed Suspension

	Year Beginning January 1				
	2056	**2057**	**2058**	**2059**	**2060**
1. Market Value at beginning of year	$3,647,790,190	$3,723,719,932	$3,826,809,562	$3,956,640,066	$4,113,558,209
2. Contributions	841,145,463	853,075,381	865,107,756	877,338,264	889,795,382
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,011,432,926	1,000,669,077	992,334,830	985,756,670	981,576,362
5. Administrative expenses	100,222,920	102,227,379	104,271,926	106,357,365	108,484,512
6. Investment earnings	266,440,125	272,910,705	281,329,504	291,693,914	304,006,910
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$3,723,719,932	$3,826,809,562	$3,956,640,066	$4,113,558,209	$4,297,299,627
8. Available resources: (1)+(2)+(3)-(5)+(6)	$4,735,152,857	$4,827,478,639	$4,948,974,896	$5,099,314,879	$5,278,875,989
9. Solvency ratio: (8) ÷ (4)	4.682	4.824	4.987	5.173	5.378
	2061	**2062**	**2063**	**2064**	
1. Market Value at beginning of year	$4,297,299,627	$4,507,477,246	$4,741,320,139	$4,998,438,596	
2. Contributions	902,454,965	914,656,706	926,055,121	937,425,478	
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	
4. Benefit payments	979,868,091	982,240,408	985,851,504	991,546,140	
5. Administrative expenses	110,654,202	112,867,286	115,124,632	117,427,125	
6. Investment earnings	318,244,947	334,293,881	352,039,472	371,449,853	
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$4,507,477,246	$4,741,320,139	$4,998,438,596	$5,278,340,662	
8. Available resources: (1)+(2)+(3)-(5)+(6)	$5,487,345,337	$5,723,560,547	$5,984,290,101	$6,269,886,802	
9. Solvency ratio: (8) ÷ (4)	5.600	5.827	6.070	6.323	

EXHIBIT IV
Deterministic Projection of 5% Smaller Suspension

The projected Market Value of Assets and Solvency Ratio for the Plan Years beginning January 1, 2016 through 2046.

	Year Beginning January 1				
	2016	**2017**	**2018**	**2019**	**2020**
1. Market Value at beginning of year	$16,927,353,339	$16,310,130,925	$16,071,155,056	$15,815,871,050	$15,540,340,162
2. Contributions	571,437,939	565,171,453	563,691,836	562,913,672	562,173,001
3. Withdrawal liability payments	128,698,507	137,397,014	137,397,014	137,397,014	97,397,014
4. Benefit payments	2,473,323,712	2,065,654,464	2,061,692,213	2,061,030,375	2,062,986,103
5. Administrative expenses	45,390,000	46,297,800	47,223,756	48,168,231	49,131,596
6. Investment earnings	1,201,354,852	1,170,407,928	1,152,543,113	1,133,357,032	1,111,054,975
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$16,310,130,925	$16,071,155,056	$15,815,871,050	$15,540,340,162	$15,198,847,453
8. Available resources: (1)+(2)+(3)-(5)+(6)	$18,783,454,637	$18,136,809,520	$17,877,563,263	$17,601,370,537	$17,261,833,556
9. Solvency ratio: (8) ÷ (4)	7.594	8.780	8.671	8.540	8.367
	2021	**2022**	**2023**	**2024**	**2025**
1. Market Value at beginning of year	$15,198,847,453	$14,826,396,859	$14,423,756,214	$13,987,514,706	$13,514,221,198
2. Contributions	560,315,592	559,816,067	559,425,993	557,791,789	556,662,107
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,065,298,767	2,065,971,663	2,067,839,079	2,069,339,339	2,067,617,139
5. Administrative expenses	50,114,228	51,116,512	52,138,842	53,181,619	54,245,252
6. Investment earnings	1,085,249,795	1,057,234,449	1,026,913,406	994,038,647	958,523,968
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$14,826,396,859	$14,423,756,214	$13,987,514,706	$13,514,221,198	$13,004,941,896
8. Available resources: (1)+(2)+(3)-(5)+(6)	$16,891,695,626	$16,489,727,877	$16,055,353,786	$15,583,560,538	$15,072,559,035
9. Solvency ratio: (8) ÷ (4)	8.179	7.982	7.764	7.531	7.290

EXHIBIT IV (continued)
Deterministic Projection of 5% Smaller Suspension

	Year Beginning January 1				
	2026	**2027**	**2028**	**2029**	**2030**
1. Market Value at beginning of year	$13,004,941,896	$12,466,189,462	$11,902,120,123	$11,312,100,371	$10,698,229,558
2. Contributions	560,977,991	566,689,834	572,714,953	578,724,941	585,172,624
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	2,062,440,585	2,052,501,702	2,041,634,435	2,026,830,057	2,007,302,670
5. Administrative expenses	55,330,157	56,436,760	57,565,495	58,716,805	59,891,141
6. Investment earnings	920,643,303	880,782,275	839,068,211	795,554,094	750,443,811
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$12,466,189,462	$11,902,120,123	$11,312,100,371	$10,698,229,558	$10,064,049,196
8. Available resources: (1)+(2)+(3)-(5)+(6)	$14,528,630,047	$13,954,621,825	$13,353,734,805	$12,725,059,615	$12,071,351,866
9. Solvency ratio: (8) ÷ (4)	7.044	6.799	6.541	6.278	6.014
	2031	**2032**	**2033**	**2034**	**2035**
1. Market Value at beginning of year	$10,064,049,196	$9,415,899,329	$8,756,293,771	$8,086,093,983	$7,408,252,084
2. Contributions	592,330,713	600,343,200	607,995,601	615,677,379	623,612,529
3. Withdrawal liability payments	97,397,014	97,397,014	97,397,014	97,397,014	97,397,014
4. Benefit payments	1,980,883,155	1,951,861,286	1,920,796,448	1,886,124,800	1,847,574,356
5. Administrative expenses	61,088,964	62,310,743	63,556,958	64,828,097	66,124,659
6. Investment earnings	704,094,525	656,826,257	608,761,003	560,036,605	510,893,052
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$9,415,899,329	$8,756,293,771	$8,086,093,983	$7,408,252,084	$6,726,455,664
8. Available resources: (1)+(2)+(3)-(5)+(6)	$11,396,782,484	$10,708,155,057	$10,006,890,431	$9,294,376,884	$8,574,030,019
9. Solvency ratio: (8) ÷ (4)	5.753	5.486	5.210	4.928	4.641

EXHIBIT IV (continued)
Deterministic Projection of 5% Smaller Suspension

	Year Beginning January 1				
	2036	**2037**	**2038**	**2039**	**2040**
1. Market Value at beginning of year	$6,726,455,664	$6,038,075,423	$5,342,353,397	$4,652,310,823	$3,971,619,338
2. Contributions	632,595,337	642,113,530	651,299,231	661,149,369	671,111,676
3. Withdrawal liability payments	88,698,507	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,803,595,526	1,760,380,262	1,712,422,711	1,661,973,716	1,611,741,829
5. Administrative expenses	67,447,152	68,796,095	70,172,017	71,575,458	73,006,967
6. Investment earnings	461,368,593	411,340,801	361,252,923	311,708,320	262,860,058
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$6,038,075,423	$5,342,353,397	$4,652,310,823	$3,971,619,338	$3,300,842,276
8. Available resources: (1)+(2)+(3)-(5)+(6)	$7,841,670,949	$7,102,733,659	$6,364,733,534	$5,633,593,054	$4,912,584,105
9. Solvency ratio: (8) ÷ (4)	4.348	4.035	3.717	3.390	3.048
	2041	**2042**	**2043**	**2044**	**2045**
1. Market Value at beginning of year	$3,300,842,276	$2,643,220,586	$1,997,156,265	$1,365,201,907	$746,988,333
2. Contributions	681,490,405	692,115,990	701,662,146	711,597,298	721,567,177
3. Withdrawal liability payments	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
4. Benefit payments	1,559,490,635	1,509,948,327	1,457,671,945	1,407,130,009	1,357,998,599
5. Administrative expenses	74,467,106	75,956,448	77,475,577	79,025,089	80,605,590
6. Investment earnings	214,845,646	167,724,464	121,531,018	76,344,226	32,135,237
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$2,643,220,586	$1,997,156,265	$1,365,201,907	$746,988,333	$142,086,558
8. Available resources: (1)+(2)+(3)-(5)+(6)	$4,202,711,221	$3,507,104,592	$2,822,873,852	$2,154,118,342	$1,500,085,156
9. Solvency ratio: (8) ÷ (4)	2.695	2.323	1.937	1.531	1.105

EXHIBIT IV (continued)
Deterministic Projection of 5% Smaller Suspension

	Year Beginning January 1
	2046
1. Market Value at beginning of year	$142,086,558
2. Contributions	731,843,424
3. Withdrawal liability payments	80,000,000
4. Benefit payments	1,311,425,814
5. Administrative expenses	82,217,702
6. Investment earnings	--
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$0
8. Available resources: (1)+(2)+(3)-(5)+(6)	$871,712,280
9. Solvency ratio: (8) ÷ (4)	0.665

EXHIBIT V
Stochastic Projection of Proposed Suspension

Year Beginning January 1	Probability of Remaining Solvent Through the Year and All Prior Years	Year Beginning January 1	Probability of Remaining Solvent Through the Year and All Prior Years
2016	100.0%	2041	57.6%
2017	100.0%	2042	56.3%
2018	100.0%	2043	55.3%
2019	100.0%	2044	54.6%
2020	100.0%	2045	54.0%
2021	100.0%	2046	53.4%
2022	100.0%	2047	52.9%
2023	99.9%	2048	52.5%
2024	99.5%	2049	52.2%
2025	98.6%	2050	51.9%
2026	97.1%	2051	51.7%
2027	95.2%	2052	51.4%
2028	92.0%	2053	51.3%
2029	88.8%	2054	51.1%
2030	85.1%	2055	50.9%
2031	81.4%	2056	50.8%
2032	77.4%	2057	50.7%
2033	74.2%	2058	50.6%
2034	71.2%	2059	50.6%
2035	68.6%	2060	50.5%
2036	66.0%	2061	50.5%
2037	63.7%	2062	50.4%
2038	61.8%	2063	50.4%
2039	60.2%	2064	50.4%
2040	58.8%		

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EXHIBIT VI

Projected Total Contribution Base Units and Average Contribution Rates

Year Beginning January 1	Total Contribution Base Units (Equivalent Weeks)	Average Contribution Rate (Weekly)	Year Beginning January 1	Total Contribution Base Units (Equivalent Weeks)	Average Contribution Rate (Weekly)
2015*	3,286,899	$178	2040	1,738,304	$386
2016	3,140,584	182	2041	1,703,537	400
2017	3,014,912	187	2042	1,669,467	415
2018	2,922,156	193	2043	1,636,077	429
2019	2,832,614	199	2044	1,603,356	444
2020	2,745,747	205	2045	1,571,289	459
2021	2,661,744	211	2046	1,539,863	475
2022	2,580,812	217	2047	1,509,066	492
2023	2,502,519	224	2048	1,478,885	509
2024	2,426,789	230	2049	1,449,306	527
2025	2,353,548	237	2050	1,420,321	545
2026	2,306,307	243	2051	1,391,914	564
2027	2,260,204	251	2052	1,364,076	583
2028	2,215,025	259	2053	1,336,794	603
2029	2,170,751	267	2054	1,310,059	624
2030	2,127,359	275	2055	1,283,857	646
2031	2,084,844	284	2056	1,258,181	669
2032	2,043,168	294	2057	1,233,017	692
2033	2,002,320	304	2058	1,208,356	716
2034	1,962,295	314	2059	1,184,189	741
2035	1,923,057	324	2060	1,160,505	767
2036	1,884,601	336	2061	1,137,295	794
2037	1,846,911	348	2062	1,114,549	821
2038	1,809,974	360	2063	1,092,258	848
2039	1,773,778	373	2064	1,070,413	876

Note: Projections of contributions in Exhibits III, IV, and V were based on contribution rates for individuals contained in the participant data and applying the assumptions described in Exhibit VII. The above amounts are estimated total base units and estimated average rates that aggregate to the total projected contributions each year.

* Contributions from January 1 through June 30, 2015 were based on financial information provided by the Fund Office.

EXHIBIT VII

Assumptions and Methodology

The actuarial assumptions and methodology are as used in the January 1, 2015 Actuarial Valuation Certificate, dated August 14, 2015, as well as the Actuarial Certification of Plan Status as of January 1, 2015 under IRC Section 432, dated March 31, 2015, except as specifically described below. The calculations are based on a current understanding of the requirements of ERISA Section 305, IRC Section 432, temporary regulation §1.432(e)(9)-1T, proposed regulation §1.432(e)(9)-1 and Revenue Procedure 2015-34.

Contributions and Service Data: Results are based on 2015 Actuarial Valuation data as of December 31, 2014 provided by the Fund Office on April 24, 2015 and with supplemental data provided on August 5, 2015 to identify participants who had 20 or more total Service Credit, but Contributory Service Credit less than 20.

This data also included contributions by Tier, Service Credit, Contributory Service Credit and service to be used to calculate PBGC guaranteed benefits and to model the proposed benefit suspension.

Contribution Rates: For participants under the Primary Schedule, annual contribution rate increases on rates including reallocations are equivalent to 8% for 5 years, 6% for 3 years and 4% thereafter (per the Rehabilitation Plan) to a maximum of $348 per week for each participant covered by the National Master Automobile Transporters Agreement and $342 per week for all other participants.

For participants under the Default Schedule, annual contribution rate increases on rates including reallocations are 4%.

No contribution increases are assumed for employers that qualify as “New Employers” under Section 2.2(b) of Appendix E of the Plan. No future “New Employers” are assumed.

Projected Industry Activity: The annual active attrition assumption is 3% for the first 10 years and 2% thereafter. In addition, the attrition assumption for participants under the Default Schedule is increased by 16% per year for first 5 years and 6% per year for next 5 years, from the average dates employers were first subject to the Default Schedule.

As part of the proposed suspension plan, the plan sponsor is factoring in the following increases to the contribution increases currently required under the rehabilitation plan:

- The maximum rates ($348 or $342 as described above) are assumed to increase 2.5% per year beginning 2018 and 3.0% per year beginning 2028 and YRCW is assumed to resume making annual contribution rate increases of 2.5% beginning August 1, 2019 and 3.0% beginning August 1, 2028.

15% of the attrition for Classes 15 and above is assumed to be attributable to voluntary employer withdrawals (Rehabilitation Plan Withdrawals).

The assumptions for future attrition and contributions are based on input from the plan sponsor for the actuarial certification of plan status as of January 1, 2015 and updated based on subsequent input from the plan sponsor assuming the proposed plan changes and benefit suspensions, as described in Exhibit VII of this report, become effective July 1, 2016. The subsequent input to reflect suspensions included lowering the annual attrition assumptions from 4% for the first 10 years and 2% thereafter to 3% for the first 10 years and 2% thereafter, and factoring in future increases in the contribution rate requirements under the rehabilitation plan.

Withdrawal Liability Payments: 25% of future population declines are assumed to result in withdrawal liability payments. The projected withdrawal liability payments reflect the assumption that units have declined by 4% in prior years and are assumed payable in annual installments over 20 years starting in the year following the decline, with minimum annual payments of $120 million per year for the first five years and $80 million per year thereafter.

The assumption for future withdrawals is based on input from the plan sponsor for the Actuarial Certification of Plan Status as of January 1, 2015. However, based on input from the plan sponsor subsequent to completion of the Actuarial Certification of Plan Status as of January 1, 2015:

- Estimated withdrawal liability payments for the second half of 2015 are assumed to be $133,712,000 (rather than one-half of $120 million).
- There are no assumed payments related to an agreement with YRCW (Contribution Deferral Agreement) that are not already recognized in the value of assets as of June 30, 2015.

- Kroger is assumed to have a Rehabilitation Plan Withdraw ("RPW") in 2016 and pay monthly withdrawal liability payments of $1,449,751 for 240 months beginning July 1, 2016. These amounts are valued in addition to the withdrawal liability payment amounts otherwise assumed in the projections. Kroger participants' benefit features are assumed to be reduced in accordance with the Rehabilitation Plan and applicable benefit suspensions apply. Kroger withdrawal liability and participant data are based on information provided by the Fund Office for this purpose.

New Entrants:

New entrants are assumed to have a demographic mix consistent with recent entrants during the past year.

Financial Information:

The market value of assets was $17.331 billion as of June 30, 2015, based on information reported in the Central States Funds Financial and Analytical Information as of June 30, 2015. Based on this financial report, the assumed administrative expenses for the 2015 plan year are assumed to equal the Fund's budget of $49.1 million.

Because some expenses during the 2015 plan year are expected to be nonrecurring, administrative expenses are assumed to be $45.39 million for the 2016 plan year and increase by 2% per year thereafter.

The annual administrative expenses were based on historical and current data, adjusted to reflect the Fund's budget for the upcoming year, current statute PBGC premium rates and estimated future experience and professional judgment.

Post-June 30, 2015 annual investment returns for deterministic projection purposes are assumed to be 7.5% per year on a market value basis.

The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Rogerscasey, as well as the Plan's target asset allocation.

Benefit Payment Projections:

Projected benefit payments were developed separately for accrued benefits as of the proposed suspension effective data (accrued benefits) and post-suspension benefit accruals (future benefits).

Future benefits were projected based on open group forecasts with the number of active participants and contributions assumed to change as described above and the new entrants to have a demographic mix consistent with recent entrants during the past year.

Accrued benefits were projected by first projecting expected annual benefit amounts for each participant based on both the current Plan benefit level and at the maximum suspension level reflecting the 110% PBGC guaranteed benefit amount. A suspension percentage based on the formula for proposed benefit suspension was determined for each participant based on the current benefit for in-pay participants and the projected accrued Normal Retirement benefit as of the proposed suspension date for participants not in pay status as of the census date (December 31, 2014). The suspension percentage is the ratio of the benefit after applying the suspension formula (without regard to the MPRA age and disability protections) to the benefit amount prior to suspension. This suspension percentage was then applied to the participant's projected annual benefits prior to suspension, but not allowed to drop below the corresponding benefits for each year assuming the maximum suspension level. Any applicable age or disability protections were then applied.

Retirement Rates:

Retirement rates for participants not subject to the "under 20 years" rates (as described in the actuarial valuation as of January 1, 2015) are lowered to the average of the "under 20 years" rates and the "20-24 years" rates for purposes of the suspension projections in this report.

The retirement rates used for the most recent actuarial valuation were based on historical and current demographic data, economic conditions of the industry, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual liability change due to retirements and the projected liability change based on the prior years' assumption over the most recent five years. The assumed rates were adjusted for the suspension projections to reflect the proposed benefit reductions under the rehabilitation plan and the benefit suspension, by using the average of the "under 20 years" rates and the "20-24 years" rates described in the actuarial valuation as of January 1, 2015.

Terminated Participants:

All participants in inactive vested status for purposes of the Actuarial Valuation as of January 1, 2015 are assumed to be considered "terminated" for purposes of the general benefit reduction provisions of the proposed suspension plan.

Benefit Election:

Married participants are assumed to elect the 75% joint and survivor option upon retirement.

This was changed from the assumption used for the January 1, 2015 actuarial valuations (married participants assumed to elect the 50% joint and survivor annuity) because of the impact of PBGC guaranteed benefit formula on a surviving spouse's benefit and the expectation that participants will elect a benefit option with more valuable post-suspension total benefits.

Stochastic Projections:

Stochastic projections are based on a Monte Carlo simulation of market value investment returns with 10,000 trials. Other cash flows are based on a deterministic projection.

Stochastic modeling of investment returns begins January 1, 2016. The initial value of assets is based on the actual value as of June 30, 2015, and an assumed annual rate of return of 7.5% through December 31, 2015. There are no future gains or losses except for investment returns generated under the stochastic projections.

The assumptions for stochastic modeling were based on the Plan's target asset allocation and capital market assumptions reflecting a June 30, 2015 yield curve with a 50-year horizon provided by Segal Rogerscasey, as follows:

Asset Class	Target Allocation	Expected Returns	Standard Deviation	Current Allocation*
Domestic Equity	46.50%	9.75%	18.50%	47.90%
International Developed Markets – Equity	13.00%	10.45%	21.00%	14.00%
Emerging Markets – Equity	3.50%	12.75%	24.00%	2.90%
Core – Fixed Income	26.00%	4.65%	5.00%	23.40%
High Yield – Fixed Income	8.00%	7.50%	12.50%	8.30%
Core Real Estate	1.75%	7.55%	12.00%	1.75%
Short Term Governmental Money Market	0.50%	4.05%	2.00%	1.00%
Private Equity	0.75%	14.85%	24.50%	0.75%

* *Not used for stochastic modeling purposes*

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Correlations	Equity			Fixed Income				
	Domestic	International Developed Markets	Emerging Markets	Core	High Yield	Core Real Estate	Short Term Governmental Money Market	Private Equity
Domestic Equity	1.0000	0.8830	0.7952	0.0648	0.7509	0.2620	-0.1520	0.7743
International Developed Markets – Equity	0.8830	1.0000	0.8955	0.1396	0.7497	0.1858	-0.0652	0.7520
Emerging Markets – Equity	0.7952	0.8955	1.0000	0.1407	0.7318	0.0975	-0.0171	0.7098
Core – Fixed Income	0.0648	0.1396	0.1407	1.0000	0.2744	-0.2482	-0.1584	-0.2681
High Yield – Fixed Income	0.7509	0.7497	0.7318	0.2744	1.0000	-0.0455	-0.2163	0.6300
Core Real Estate	0.2620	0.1858	0.0975	-0.2482	-0.0455	1.0000	0.1802	0.5159
Short Term Governmental Money Market	-0.1520	-0.0652	-0.0171	-0.1584	-0.2163	0.1802	1.0000	-0.0179
Private Equity	0.7743	0.7520	0.7098	-0.2681	0.6300	0.5159	-0.0179	1.0000

EXHIBIT VIII
Proposed Benefit Suspensions

The plan of benefits is as used in the January 1, 2015 actuarial valuation certificate, dated August 14, 2015, except as specifically described below.

Proposed Benefit Suspensions:

Effective July 1, 2016, the Plan will reduce benefits based on three main factors, subject to certain protections described below. The first factor is the "tier" to which those contributions are assigned. The second factor is the amount of contributions made to the Plan on a participant's behalf. The third factor is whether the participant is an active participant, a terminated participant, or a retiree as of July 1, 2016.

The tiers are defined as follows:

Tier 1: Benefits attributable to contributions made by an employer that withdrew from the Plan on or before July 1, 2016 and failed to pay (or are delinquent with respect to paying) the full amount of its withdrawal liability under law or an agreement with the Plan.

Tier 2: Benefits attributable to contributions not assigned to Tier 1 or Tier 3.

Tier 3: Benefits attributable to contributions made by an employer that (a) has withdrawn from the Plan in a complete withdrawal in which the employer paid the full amount of the employer's withdrawal liability under law or an agreement with the Plan and also, (b) pursuant to a collective bargaining agreement, has agreed to provide benefits to participants and beneficiaries of the Plan under a separate, single-employer-sponsored plan, in an amount equal to any reduction in the amount of benefits for such participants and beneficiaries as a result of the financial status of the Plan.

The Plan will reduce benefits in accordance with the structure outlined below subject to the statutory 110% of PBGC guaranteed benefit, age and disability limitations:

Tier 1 Benefit Reductions

Benefits attributable to Tier 1 contributions must be reduced to the maximum extent permissible. In general, the amount of Tier 1 benefits after the reduction will be determined by multiplying 110% of the participant's PBGC guarantee amount by the percentage of the participant's total contributions in Tier 1 before application of the statutory age and disability limitations.

Cap on Reduction Percentage for Tier 2 and Tier 3 Contributions

Participants with 20 or more years of Contributory Service Credit as of July 1, 2016 shall not have a reduction of more than 50% for benefits attributable to Tier 2 contributions and 40% for benefits attributable to Tier 3 contributions.

Tier 2 and Tier 3 Benefit Reductions

The following general benefit reduction provisions apply to benefits that are attributable to Tier 2 and Tier 3 contributions, subject to both the cap described above and the statutory 110% of PBGC guaranteed benefit, age and disability limitations:

- Unless stated otherwise, benefits will be reduced to 1.0% of the Tier 2 and Tier 3 contributions made on the participant's behalf with early retirement and joint and survivor benefit reductions applied.
- Benefits for terminated participants with less than 20 years of Contributory Service Credit as of July 1, 2016 and without a benefit commencement date on or before October 1, 2015 will be reduced to 0.5% of the Tier 2 and Tier 3 contributions made on the participant's behalf, with early retirement and joint and survivor benefit reductions applied. A participant will be in "terminated" status for purposes of the suspension plan if, as of July 1, 2016, the participant:
  - (a) has a Year of Employment under the Plan during any year ending on or before December 31, 2014, and (b) earned no Contributory Service Credit during 2014; or
  - (a) has a Year of Employment under the Plan during any year ending on or before December 31, 2015, and (b) earned no Contributory Service Credit during 2015; or
  - (a) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after October 1, 2015 incurs a Rehabilitation Plan Withdrawal, and (b) has either (i) earned the last year of Contributory Service Credit on or before October 1, 2015 while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Rehabilitation Plan Withdrawal or (ii) earned the last year of Contributory Service Credit on or before July 1, 2016 while a member of a Bargaining Unit (or any predecessor or successor

Bargaining Unit) ultimately incurring such Rehabilitation Plan Withdrawal. This provision shall not apply to Rehabilitation Plan Withdrawals occurring after July 1, 2016 unless the Bargaining Unit, on or before July 1, 2016, ratifies or otherwise agrees to a Collective Bargaining Agreement (or other agreement) which permits the withdrawal of the Bargaining Unit in whole or in part from the Plan (regardless of when the withdrawal in fact occurs).

Disability Benefits

Monthly Disability Benefits for service through July 1, 2016 will not be subject to any reduction. Participants who receive a retirement pension from the Plan after converting from a Monthly Disability Benefit cannot have their benefit reduced below the amount of the disability benefit they were receiving prior to conversion.

Other Amendments:

In accordance with the proposed amendments to be implemented in conjunction with the benefit suspensions effective July 1, 2016:

The Benefit Accrual Rate attributable to a participant's service on and after July 1, 2016 is reduced from 1.0% of contributions to 0.75% of contributions.

Effective June 1, 2021, the Contribution-Based Pension is reduced by 0.5% for each month the age of the participant on his retirement date is less than 63 if the participant has at least 20 years of Service Credit (the reduction occurs from age 65 if the participant has less than 20 years of Service Credit).

Effective June 1, 2023, the Contribution-Based Pension is reduced by 0.5% for each month the age of the participant on his retirement date is less than 64 if the participant has at least 20 years of Service Credit (the reduction occurs from age 65 if the participant has less than 20 years of Service Credit).

Effective June 1, 2025, the Contribution-Based Pension is reduced by 0.5% for each month the age of the participant on his retirement date is less than 65.

Regardless of the above changes, if a participant is subject to the Default Schedule, Rehabilitation Plan Withdrawal, or Distressed Employer Schedule, the Contribution-Based Pension payable at age 65 continues to be reduced to an actuarially equivalent benefit in accordance with the terms of the Plan.

Technical Issues

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

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Segal Consulting

Central States, Southeast and Southwest Areas Pension Plan

Actuarial Valuation and Review as of January 1, 2015

Segal Consulting

333 West 34th Street New York, NY 10001
T 212.251.5000 www.segalco.com

August 14, 2015

Board of Trustees
Central States, Southeast and Southwest Areas Pension Plan
9377 West Higgins Road
Rosemont, Illinois 60018-4938

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2015. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Daniel V. Ciner, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of The Segal Group

By: [redacted]

Steven M. Rabinowitz, FSA, MAAA, EA, FCA
Senior Vice President and Actuary

cc: Mr. Thomas Nyhan
Mr. Mark Angerame
Gary Ford, Esq.

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Section 1: Actuarial Valuation Summary

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities. A separate report is available.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, it is an estimated forecast — the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

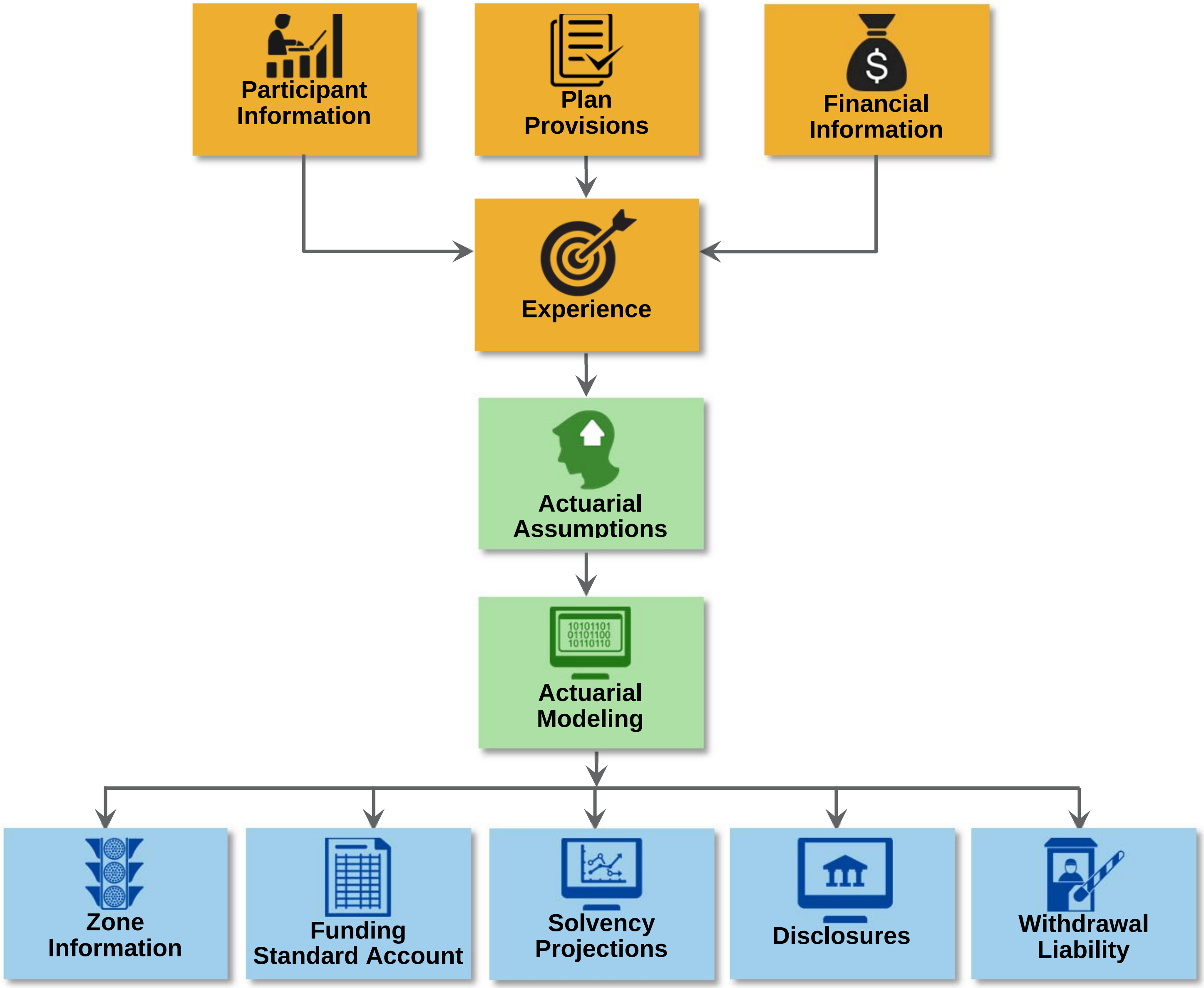
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may require the award of a Social Security disability pension as a condition for receiving a disability pension from the plan. If so, changes in the Social Security law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. Some plans include assets, such as private equity holdings, real estate, or hedge funds, that are not subject to valuation by reference to transactions in the marketplace. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan (the total of benefits and expenses paid out over time). In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
Actuarial results in this report are not rounded, but that does not imply precision.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
ERISA requires a plan's enrolled actuary to provide a statement for inclusion in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that we can evaluate it and take it into account.
A certification of "zone" status under PPA'06 is a separate document from the actuarial valuation.
Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

ACTUARIAL VALUATION OVERVIEW



This January 1, 2015 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and could affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

A. Developments Since Last Valuation

1. On December 16, 2014, the Multiemployer Pension Reform Act of 2014 (MPRA) was enacted. MPRA expanded and clarified various zone status rules, made changes to withdrawal liability rules for plans in the red or yellow zones, enabled suspension of benefits for deeply troubled plans, and granted PBGC flexibility in facilitating plan mergers and approving partitions.
2. The 2015 certification, issued on March 31, 2015, classified the Plan as critical and declining status because there were projected deficiencies in the Funding Standard Account (disregarding the Section 412(e) extension) and insolvency was projected within 15 years. The Plan was certified to be making scheduled progress in meeting the requirements of the Rehabilitation Plan, based on a projection showing that the Fund will forestall possible insolvency prior to 2023.
3. The number of active participants declined by 1.2% during 2014. As of this valuation, the ratio of non-active to active participants is 5.16 to 1.
4. The rate of return on the market value of plan assets was 6.6% for the 2014 plan year. The rate of return on the actuarial value of assets was 11.2% as a result of the asset valuation method. These rates are estimates, net of investment fees, based on a mid-year average cash flow assumption, which is consistent with the calculation used for the Schedule MB. The current assumed long-term rate of return on investments is 7.50%. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we will continue to monitor the Plan's actual and anticipated investment returns.
5. The following plan provision was changed and is reflected in this valuation:
   - During the plan year ended December 31, 2014, 605 active participants and 1,116 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.

6. The following assumptions were changed effective January 1, 2015 for funding purposes and December 31, 2014 as applicable for withdrawal liability purposes:
   - The annual administrative expense assumption was changed from $37,000,000 (payable monthly) to $48,400,000 (payable monthly) to reflect the Fund Office budget for 2015.
   - The mortality rates for non-annuitants were changed from the RP-2000 Combined Healthy Blue Collar Mortality Tables (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter to the RP-2014 Blue Collar Employee Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.
   - The mortality rates for healthy annuitants were changed from the RP-2000 Combined Healthy Blue Collar Mortality Tables (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter to the RP-2014 Blue Collar Healthy Annuitant Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.
   - The mortality rates for disabled annuitants were changed from the RP-2000 Disabled Retiree Mortality Tables (sex distinct) to the RP-2014 Disabled Retiree Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.

B. Solvency Projections

1. The Plan is projected to be unable to pay benefits within 12 years, based on a projection shown in the 2015 actuarial status (zone) certification for purposes of reviewing the scheduled progress in meeting the requirements of the Rehabilitation Plan. This cash-flow crisis requires continued monitoring by the Trustees. The actions already taken to address this issue include the adoption of and updates to the Rehabilitation Plan.

C. Funded Percentage and Funding Standard Account

1. Based on this January 1, 2015 actuarial valuation, the funded percentage as of that date is 47.9%. This will be reported on the 2015 Annual Funding Notice.
2. The funding deficiency in the Funding Standard Account as of December 31, 2014 was $6,623,445,113 (disregarding the 412(e) amortization extension), an increase of $1,639,847,943 from the prior year funding deficiency. PPA ’06 requires plan sponsors to monitor the projected credit balance.
3. The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed. The funding deficiency and 47.9% funded percentage require continued monitoring by the Trustees. The actions already taken to address this issue include the adoption of and updates to the Rehabilitation Plan.

Summary of Key Valuation Results

	2014	2015
Certified Zone Status	***Critical***	***Critical and Declining***
Demographic Data:		
Number of active participants	65,324	64,527
Number of inactive participants with vested rights	129,700	128,114
Number of retired participants and beneficiaries	206,622	204,851
Assets:		
Market value of assets (MVA)	$18,740,758,554	$17,863,105,558
Actuarial value of assets (AVA)	17,028,061,298	16,781,283,666
AVA as a percent of MVA	90.9%	93.9%
Cash Flow:		
Projected employer contributions (excluding withdrawal liability payments)	$572,284,552	$581,403,582
Actual contributions (excluding withdrawal liability payments)	584,486,747	--
Withdrawal liability payments received	232,836,446	--
Statutory Funding Information:		
ERISA Minimum required contribution	$7,471,417,926	$9,235,664,385
Maximum deductible contribution	59,325,966,067	60,078,476,815
Annual Funding Notice percentage	48.4%	47.9%
FSA deficiency projected at the end of prior year	$4,983,597,170	$6,623,445,113
Actuarial Funded Status – IRC 412(e) Letter Basis:		
Funded Ratio	62.8%	60.2%
Minimum required funded ratio per 412(e) condition	61.0%	61.0%

Comparison of Funded Percentages

	Funded Percentages as of January 1		2015	
	2014	2015	Liability	Assets
1. Present Value of Future Benefits	46.1%	45.6%	$36,823,057,239	$16,781,283,666
2. PPA'06 Liability and Annual Funding Notice	48.4%	47.9%	35,062,805,288	16,781,283,666
3. Current Liability	34.9%	33.0%	54,100,020,891	17,863,105,558
4. 412(e) Funded Ratio	62.8%	60.2%	29,653,206,197	17,863,105,558

Notes:

1. Includes the value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets. The funded percentage using market value of assets is 48.5% for 2015 and 50.7% for 2014.
2. Measures present value of accrued benefits using the current participant census and financial data. As defined by the PPA'06, based on long-term funding investment return assumption of 7.50% and the actuarial value of assets.
3. Used to determine maximum tax-deductible contributions and is reported on Schedule MB to Form 5500. Based on the present value of accrued benefits, using a prescribed mortality table and investment return assumption of 3.51% for 2015 and 3.64% for 2014, and the market value of assets. The funded percentage is also shown on the Schedule MB if it is less than 70%.
4. Used to determine compliance with the conditions of the 412(e) amortization extension. Based on the actuarial accrued liability, using the actuarial assumptions in effect on January 1, 2004, including the former investment return assumption of 8.00%, and the market value of assets.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for the amount of future contributions.

Section 2: Actuarial Valuation Results

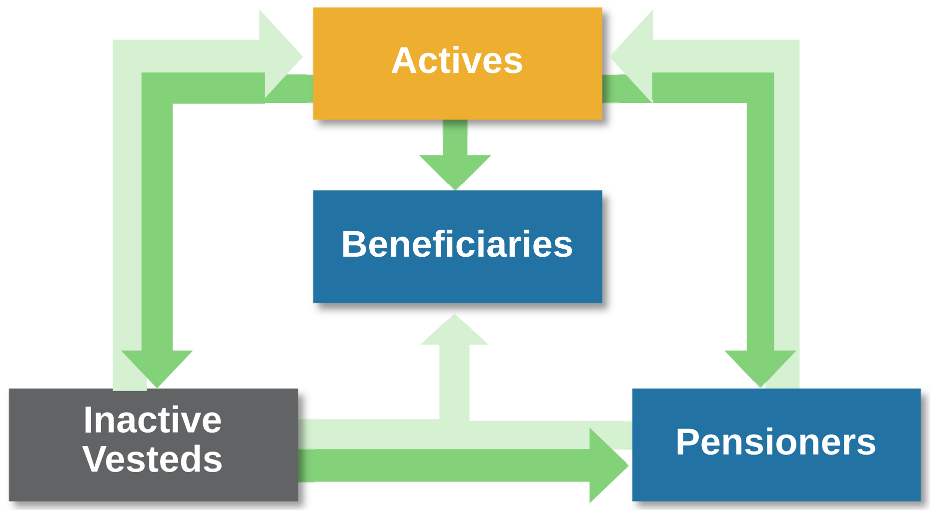
Participant Information

- The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants as of December 31, 2014. More detailed information for this valuation year, and the preceding year can be found in *Section 3, Exhibit A*.

64,527
Active Participants

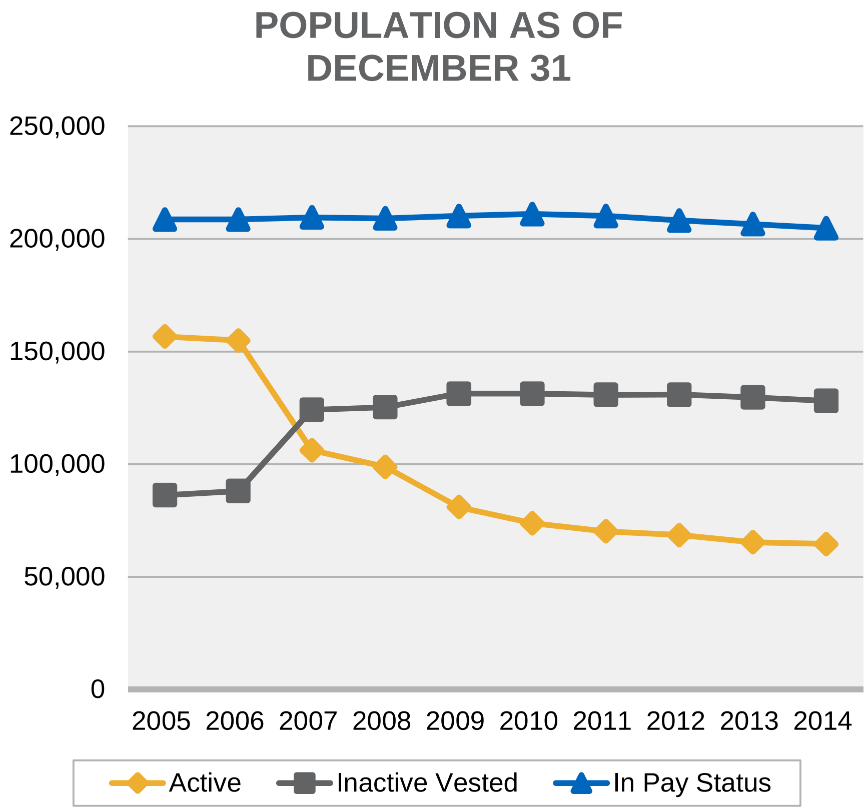
128,114
Inactive Vested Participants

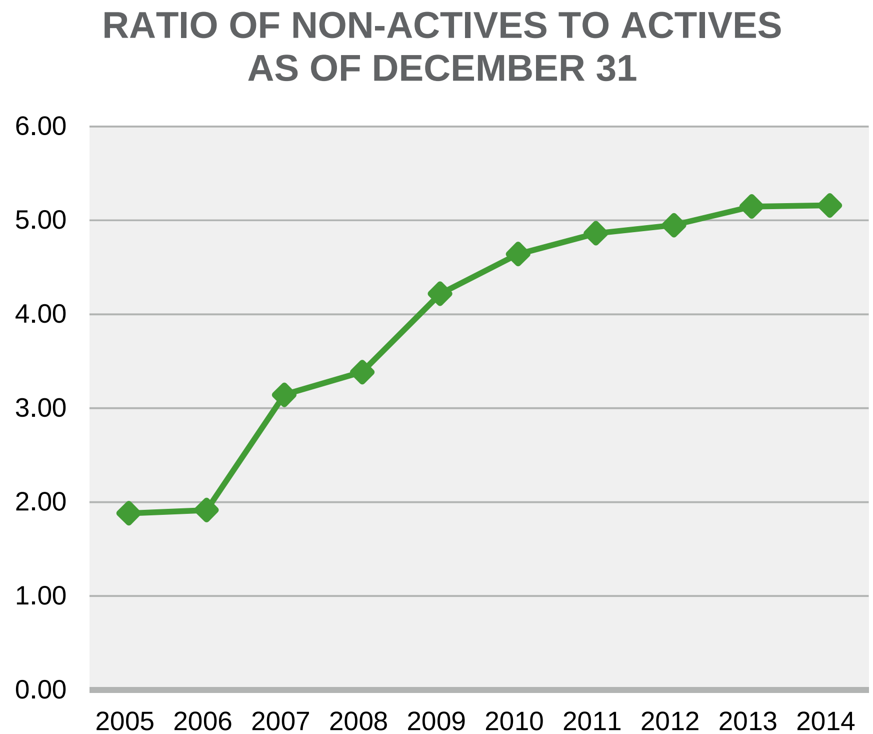
204,851
Pensioners and Beneficiaries



Changes in Population Over Time

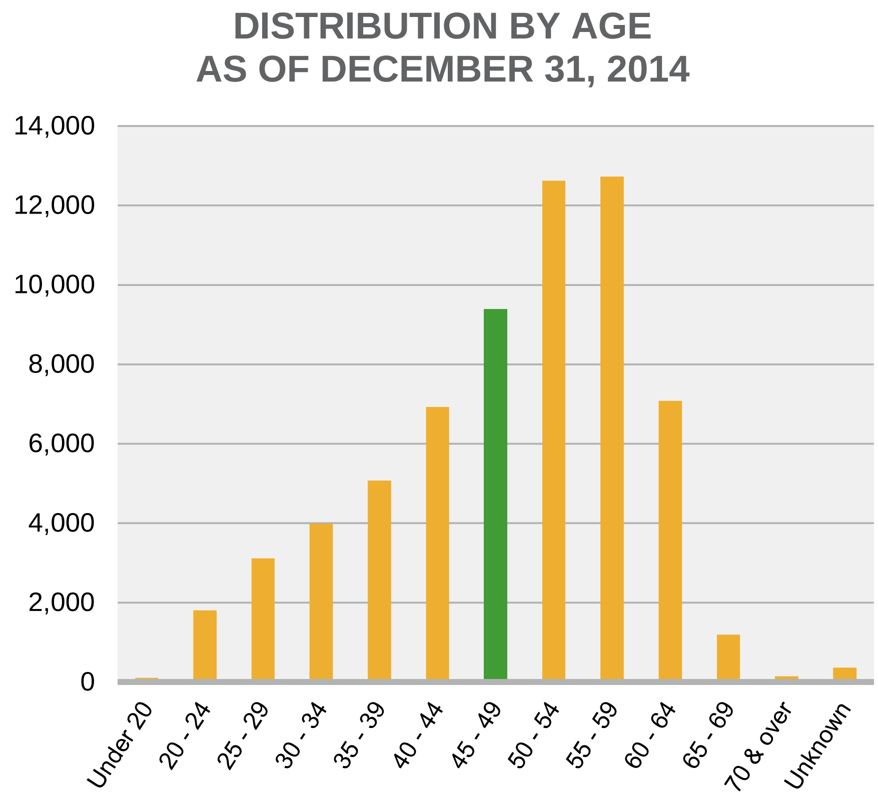
- The number of active participants has declined from 156,744 to 64,527 over the last 10 years. The ratio of non-actives to actives has increased from 1.9 to 5.2 over the same period.
- The significant shift in participants from active to inactive vested status in 2007 is primarily due to the withdrawal of UPS.
- More details on the historical information are included in *Section 3, Exhibit A and B.*



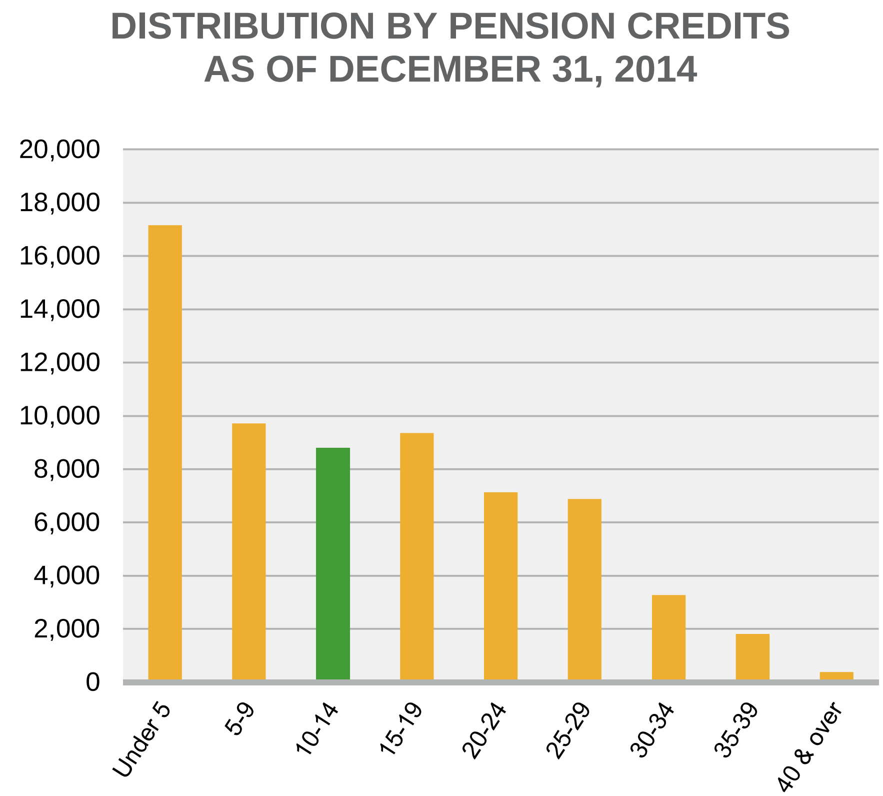


Active Participants

- There were 64,527 active participants in this year's valuation compared to 65,324 in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 3*.



Average age	**48.4**
Prior year average age	48.4
Difference	**0.0**



Average pension credits	**13.7**
Prior year average pension credits	14.0
Difference	**-0.3**

Inactive Vested Participants

- Participants who leave the coverage of the Plan after satisfying the requirements for a deferred pension or an immediate pension but elect to defer commencement are considered “inactive vesteds” and are included in the pension plan cost.
- In this year’s valuation, there were 128,114 inactive vested participants with an average age of 53.1. This compares to 129,700 in the prior valuation with an average age of 52.6.
- No cost is included for other inactive participants, even though some may return to active employment before incurring a permanent break in service.

New Pensions Awarded

- There were 5,963 pensions awarded during the fiscal year ended December 31, 2104.
- The average monthly pension awarded, after adjustment for optional forms of payment, was $1,232.

Year Ended Dec 31	Total		Regular		Disability	
	Number	Average Amount	Number	Average Amount	Number	Average Amount
2005	7,514	--	7,289		225	--
2006	6,203	$1,404	6,148	$1,410	55	$695
2007	7,605	1,278	7,417	1,296	188	577
2008	7,269	1,216	7,123	1,230	146	552
2009	8,221	1,387	8,072	1,401	149	585
2010	8,253	1,207	8,026	1,224	227	619
2011	6,747	1,153	6,520	1,172	227	595
2012	5,540	1,142	5,407	1,156	133	542
2013	6,029	1,140	5,877	1,156	152	544
2014	5,963	1,232	5,846	1,247	117	477

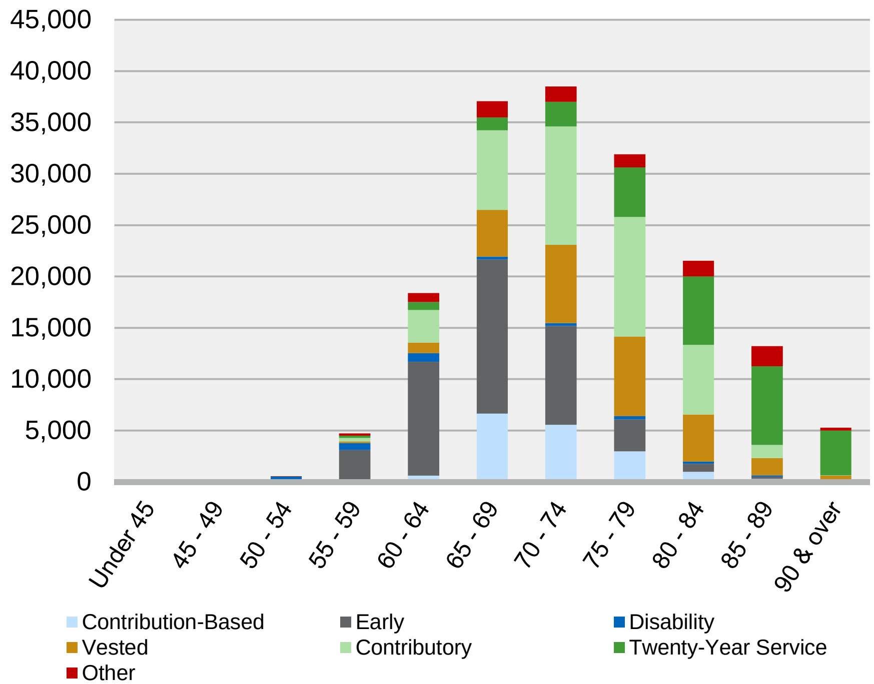
Pay Status Information

2014	vs.	2015
172,834 pensioners and 32,980 beneficiaries	→	170,543 pensioners and 33,276 beneficiaries
$234,797,979 total monthly benefits received	→	$234,847,488 total monthly benefits received

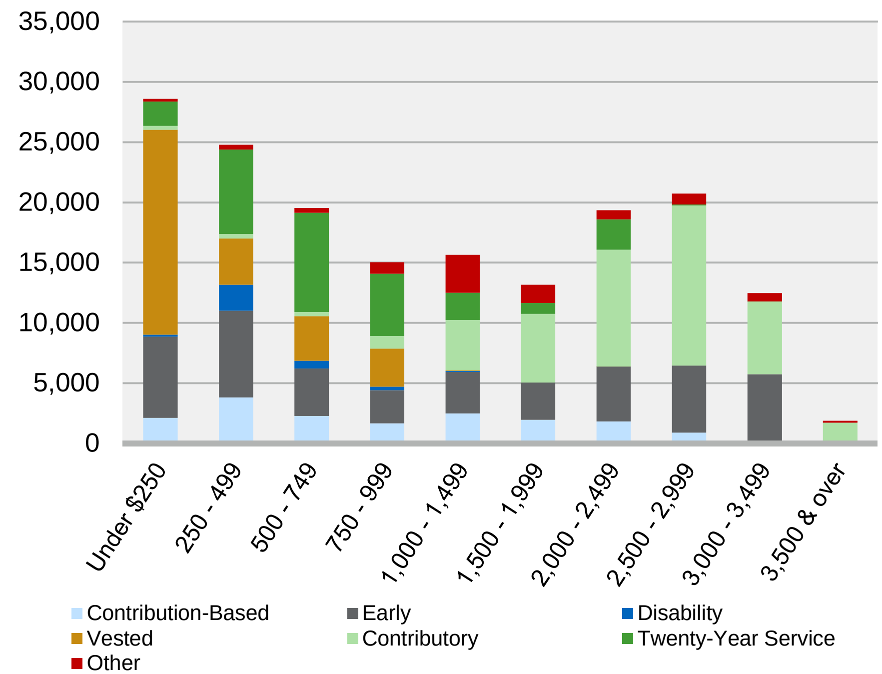
- There were 1,032 suspended pensioners and beneficiaries in this valuation compared with 808 in the prior year.

Distribution of Pensioners

PENSIONERS BY TYPE AND BY AGE AS OF DECEMBER 31, 2014



PENSIONERS BY TYPE AND MONTHLY AMOUNT AS OF DECEMBER 31, 2014



Progress of Pension Rolls Over the Past Ten Years

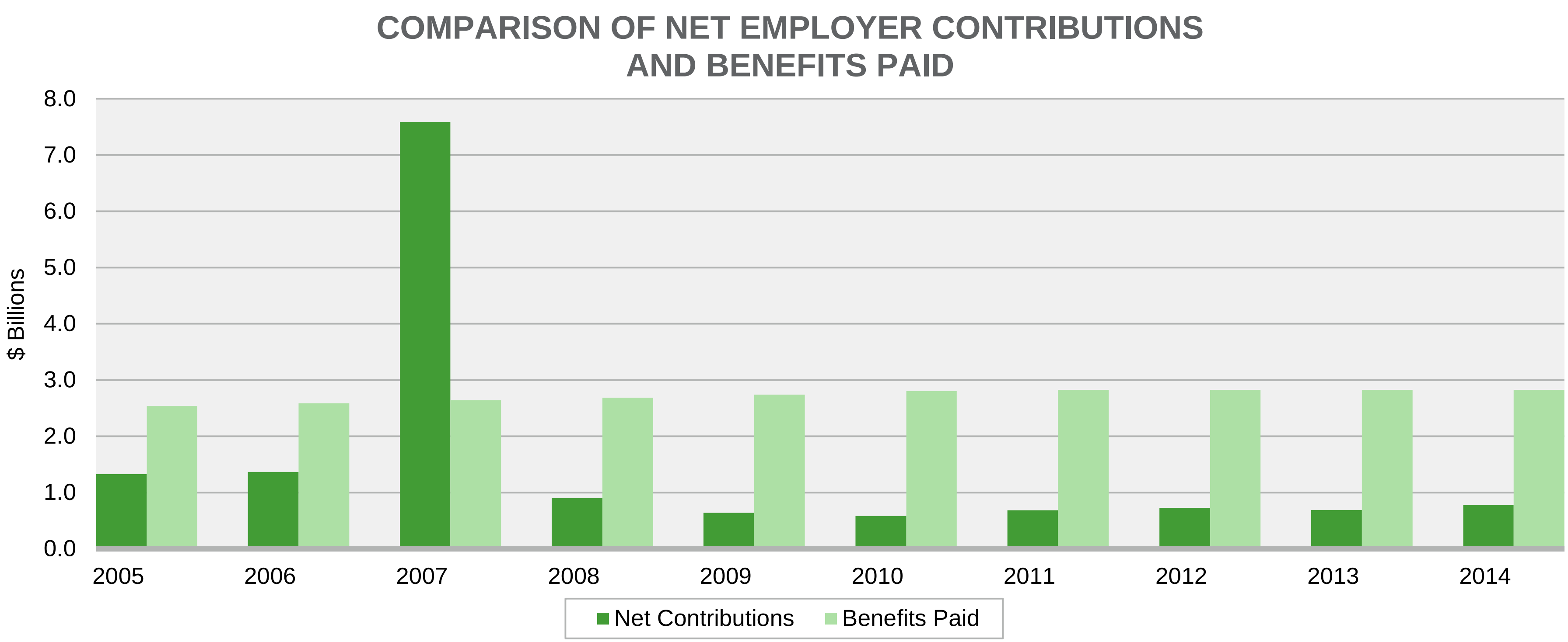
IN PAY STATUS AT YEAR END

Year	Number	Average Age	Average Amount	Terminations[1]	Additions[2]
2005	180,955	70.8	$1,123	7,305	7,514
2006	180,234	71.0	1,148	6,924	6,203
2007	179,653	71.3	1,173	8,186	7,605
2008	178,412	71.6	1,197	8,510	7,269
2009	178,768	71.8	1,225	7,865	8,221
2010	178,913	72.0	1,242	8,108	8,253
2011	177,563	72.3	1,257	8,097	6,747
2012	175,031	72.7	1,271	8,072	5,540
2013	172,834	73.1	1,284	8,226	6,029
2014	170,543	73.4	1,296	8,254	5,963

[1] Terminations include pensioners who died plus net suspensions during the prior year.
[2] Additions to the pension rolls include new pensions awarded.

Financial Information

- Pension plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments.
- A summary of these transactions for the valuation year and the prior year, including investment activity on an actuarial basis, is presented in *Section 3, Exhibit C*.
- Contributions and withdrawal liability installments net of administrative expenses were $779,245,629 for the year.
- Benefit payments during the year totaled $2,822,248,295. To the extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall.



Determination of Actuarial Value of Assets

- Because the Plan is funded by negotiated contribution rates, it is desirable to have a level and predictable pension plan cost from one year to the next. The Trustees have approved an asset valuation method that recognizes changes in market value over time. Under this valuation method, the full value of market fluctuations is not recognized in a single year.

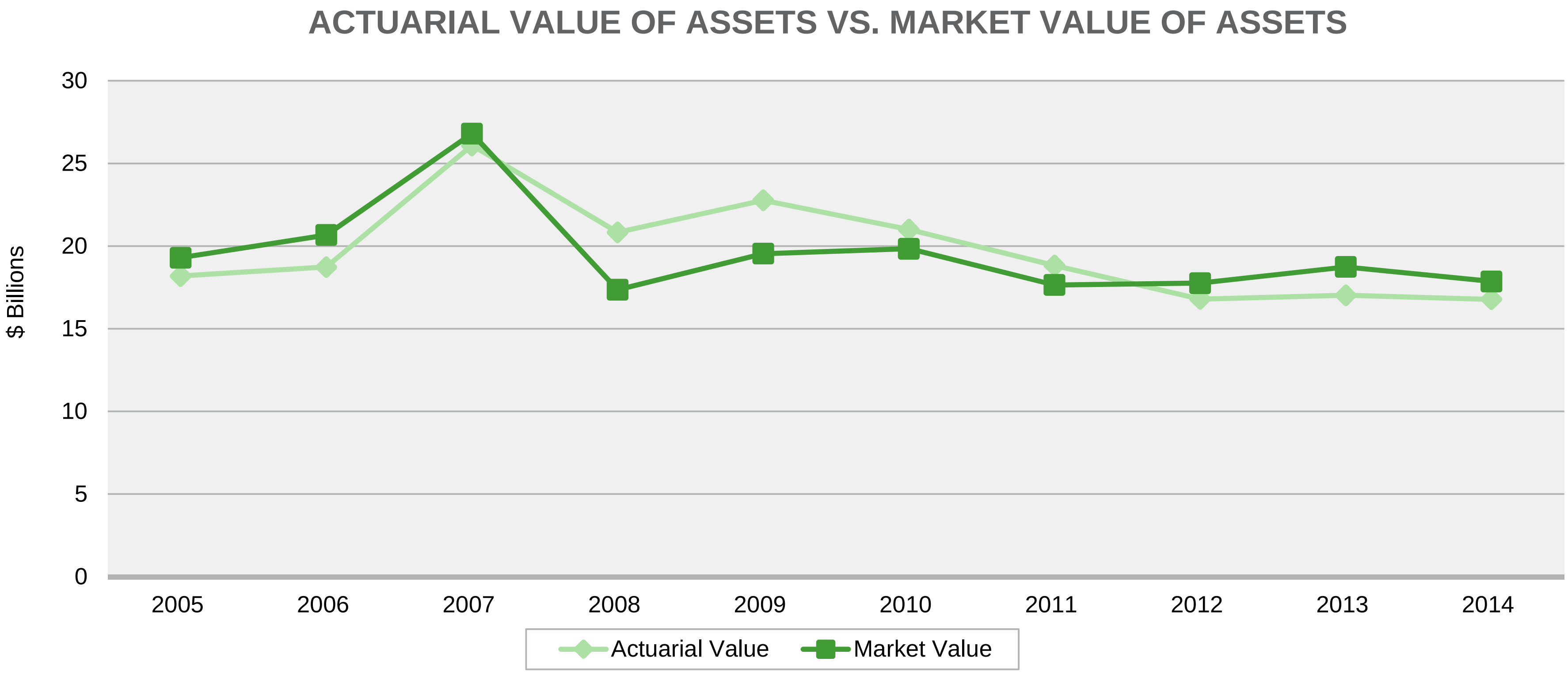
			Original Amount*	Unrecognized Return**	
1	Market value of assets, December 31, 2014				$17,863,105,558
2	Calculation of unrecognized return				
	(a)	Year ended December 31, 2014	-$161,386,806	-$129,109,445	
	(b)	Year ended December 31, 2013	1,857,415,173	1,114,449,104	
	(c)	Year ended December 31, 2012	970,780,120	388,312,048	
	(d)	Year ended December 31, 2011	-1,459,149,077	-291,829,815	
	(e)	Year ended December 31, 2010	1,139,783,380	0	
	(f)	Total unrecognized return			$1,081,821,892
3	Preliminary actuarial value: (1) - (2f)				16,781,283,666
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of December 31, 2014: (3) + (4)				16,781,283,666
6	Actuarial value as a percentage of market value: (5) ÷ (1)				93.9%
7	Amount deferred for future recognition: (1) - (5)				$1,081,821,892

* Total return minus expected return on a market value basis

** Recognition at 20% per year over 5 years

Asset History

- Both the actuarial value and the market value of assets are representations of the Plan's financial status.
- The actuarial value is significant because it is subtracted from the Plan's total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA'06 funded percentage.
- Amortization of the unfunded accrued liability is an important element in the contribution requirements of the Plan.



Actuarial Experience

- To calculate the cost requirements of the Plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. For contribution requirements to remain stable, assumptions should approximate experience and expectations for the future, which may require adjustments in the assumptions from time to time.
- Each year actual experience is measured against the assumptions and differences are reflected in the contribution requirement. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.
- Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the experience was a short-term development and that, over the long run, experience will return to assumed levels.
- The net experience variation for the year ending December 31, 2014, other than investment experience, was 0.2% of the projected actuarial accrued liability from the prior valuation, and was not significant when compared to that liability.

1	Net gain from investments	$597,940,852
2	Net loss from administrative expenses	-1,114,122
3	YRCW receivable change	-2,207,816
4	Net gain from other experience	83,345,516
5	**Net experience gain:** 1 + 2 + 3 + 4	**$677,964,430**

Actuarial Value Investment Experience

- The actuarial rate of return for a given year is the investment income net of investment expenses, expressed as a percentage of the average actuarial value of assets during the year.
- Net investment income consists of expected investment income at the actuarially assumed rate of return, and the adjustment for market value changes. Investment expenses are subtracted.

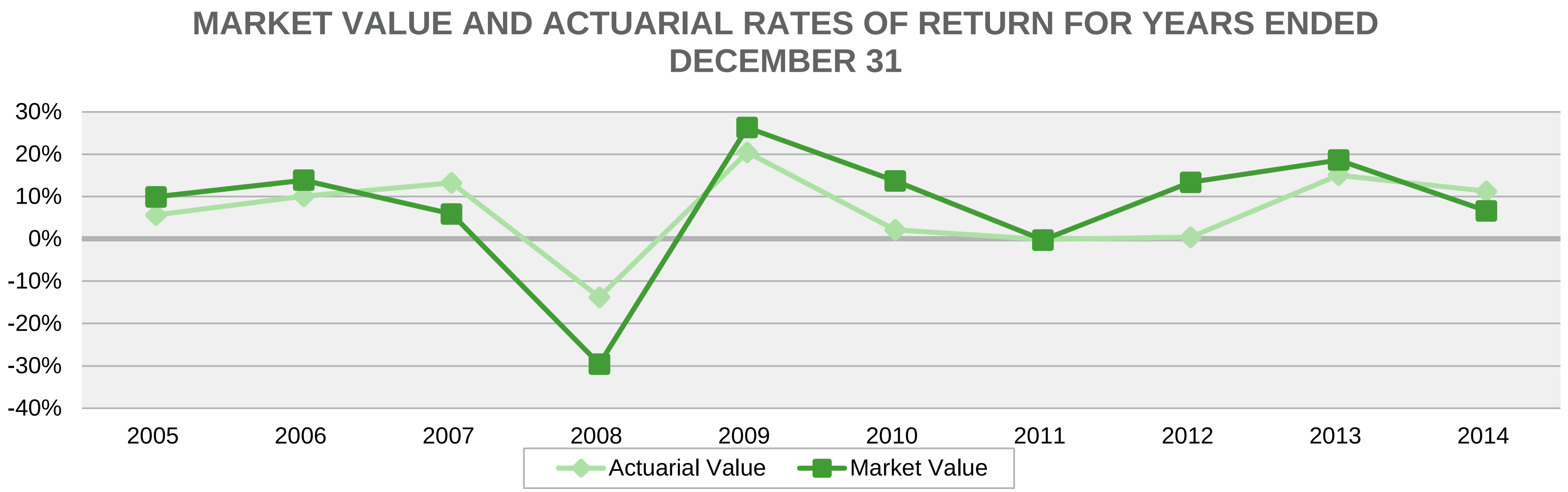
EXPERIENCE FOR THE YEAR ENDED DECEMBER 31, 2014

1	Net investment income	$1,798,353,049
2	Average actuarial value of assets	16,005,495,958
3	Rate of return: 1 ÷ 2	11.24%
4	Assumed rate of return	7.50%
5	Expected net investment income: 2 x 4	$1,200,412,197
6	**Actuarial gain: 1 - 5**	**$597,940,852**

Historical Investment Returns

- As expected, the experience in the past few years has shown both higher and lower rates of return than the long-term assumption. However, actuarial planning is long term, as the obligations of a pension plan are expected to continue for the lifetime of its active and inactive participants.

- Based upon this experience, the current asset allocation, and future expectations, we have maintained the assumed long-term rate of return of 7.50%. We will continue to monitor the Plan's actual and anticipated investment returns and may revise our assumed long-term rate of return in a future actuarial valuation, if warranted.



Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	5.11%	10.16%
10-year average return:	5.48%	5.95%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended December 31, 2014 of $38,077,564 resulted in a loss of $1,114,122 for the year.
- The assumption for 2015 is being changed to $48,400,000 annually, payable monthly, to reflect the expense budget.

Mortality Experience

- Mortality experience (fewer or more than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past two years was 7,844 per year compared to 7,213 projected deaths per year. The average number of deaths for disabled pensioners over the past two years was 168 per year compared to 219 projected deaths per year. Actuarial gains from mortality were less than 0.1% of projected liability.
- Mortality assumptions were updated to reflect past experience, future expectations and new tables and scales published by the Society of Actuaries in 2014.

YRCW Receivable Change

Due to receipt of YRCW contributions previously recognized as a receivable in the assets, partially offset by a decrease in the allowance for uncollectible YRCW payments receivable, a net charge of $2,207,816 was reflected in the Funding Standard Account.

Other Experience

There are other differences between projected and actual experience that appear when a new valuation is compared with projections from the previous valuation. These include the extent of turnover among the participants, retirement experience (earlier or later than projected), and the number of disability retirements. Another difference may be a significant change among the participants, such as the reemployment of previously inactive participants who are not vested but have credit for prior service.

Net Liability Experience

The net gain from mortality and other experience amounted to $83,345,516 for the last plan year. This is primarily due to more deaths among retirees than expected and fewer active participants retiring than expected.

Actuarial Assumptions

- Effective January 1, 2015 for funding purposes (December 31, 2014 for withdrawal liability purpose as applicable), we have changed the following assumptions:

  - The annual administrative expense assumption was changed from $37,000,000 (payable monthly) to $48,400,000 (payable monthly) to reflect the Fund Office budget for 2015.

  - The mortality rates for non-annuitants were changed from the RP-2000 Combined Healthy Blue Collar Mortality Tables (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter to the RP-2014 Blue Collar Employee Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.

  - The mortality rates for healthy annuitants were changed from the RP-2000 Combined Healthy Blue Collar Mortality Tables (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter to the RP-2014 Blue Collar Healthy Annuitant Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.

  - The mortality rates for disabled annuitants were changed from the RP-2000 Disabled Retiree Mortality Tables (sex distinct) to the RP-2014 Disabled Retiree Mortality Tables (sex distinct) with rates increased by 15%, projected on a generational basis using Scale MP-2014 from 2014.

- The actuarial assumptions and methods can be found in *Section 4, Exhibit 8*.

Plan Provisions

- The following plan provision changes are reflected in this valuation:

  - During the plan year ended December 31, 2014, 605 active participants and 1,116 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these changes, their changes in benefits are treated as a plan change.

- A summary of all plan provisions can be found in *Section 4, Exhibit 9*.

Funding Standard Account

- A summary of the ERISA minimum funding requirements, including the exceptions that can apply, is included in *Section 3, Exhibit G*.
- On December 31, 2014, the FSA had a funding deficiency of $6,623,445,113, as will be shown on the 2014 Schedule MB, a summary of which is shown in *Section 3, Exhibit G*. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. For a plan that is in critical status under PPA'06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.
- The minimum funding requirement for the year beginning January 1, 2015 is $9,235,664,385.
- Based on contribution rates reported in the participant data, assuming that 64,527 participants will work an average number of hours, days, or weeks as noted below, the contributions projected for the year beginning January 1, 2015 are $581,403,582. Contributions for the year beginning January 1, 2015 are projected to be less than the maximum allowable deduction level.
- Participants are assumed to work 1,300 hours or 47 weeks in benefit classes 1 through 14 and 1,700 hours or 51 weeks in classes 15 through 18 plus or 210 days in classes 1 through 16 and 240 days in classes 17 and 18 plus.

Pension Protection Act of 2006

2015 Actuarial Status Certification

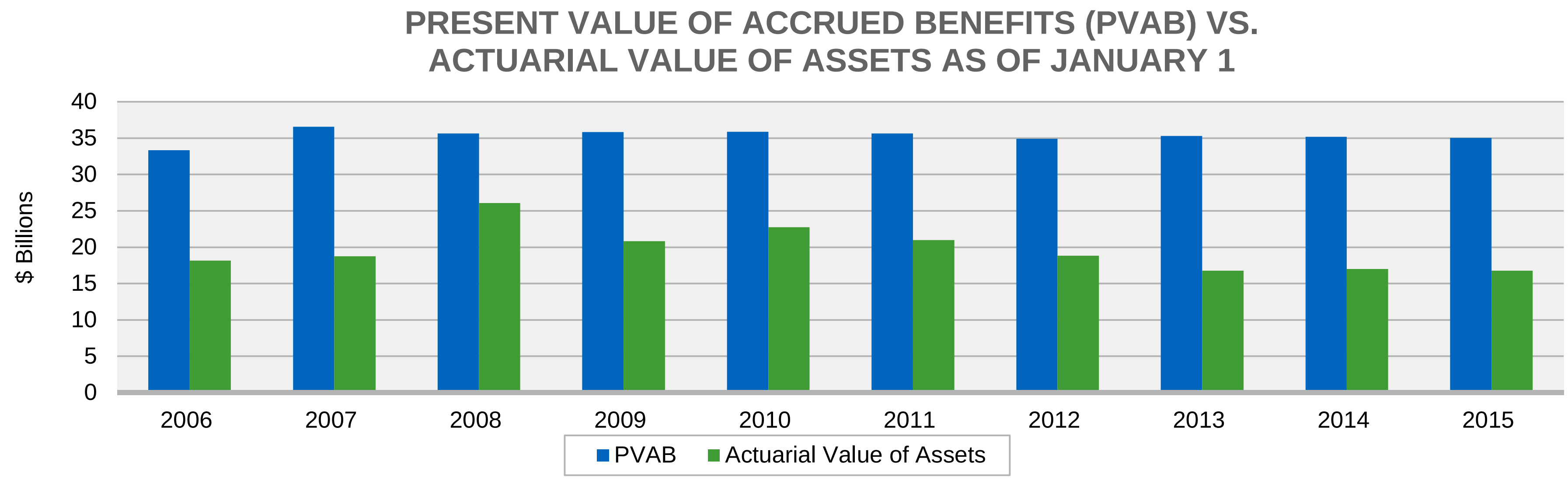
- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit I*.

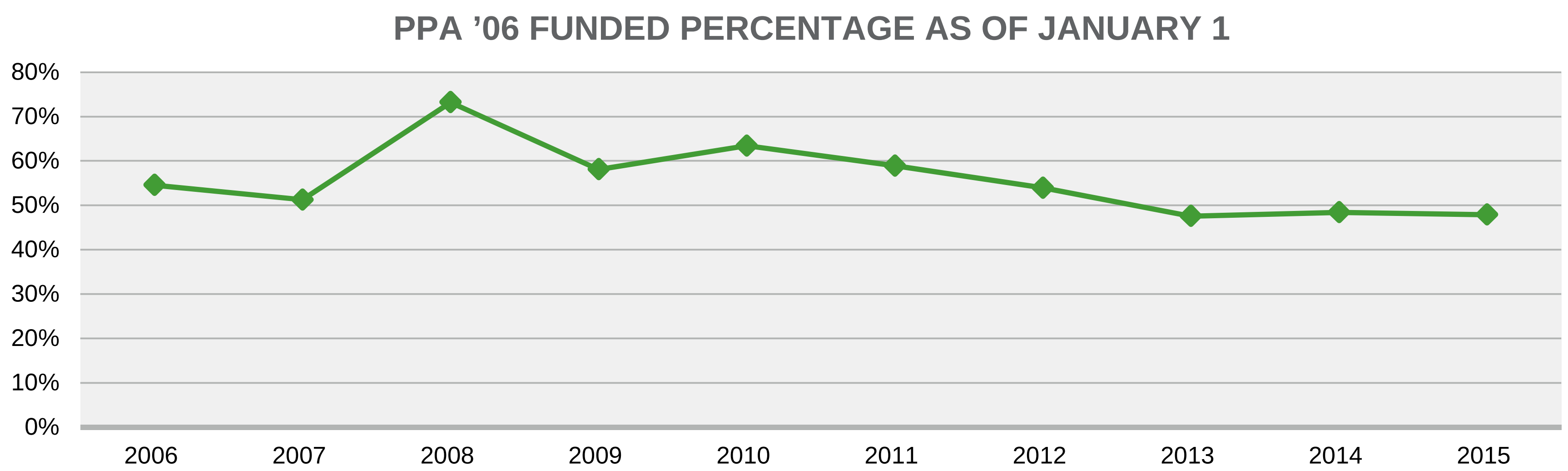
- The 2015 certification, completed on March 31, 2015, was based on the liabilities calculated in the January 1, 2014 actuarial valuation, adjusted for subsequent events and projected to December 31, 2014, and estimated asset information as of December 31, 2014. In addition, the Trustees provided the industry activity assumption.

- This Plan was classified as in critical and declining status because there were projected deficiencies in the Funding Standard Account (disregarding the Section 412(e) extension) and insolvency is projected within 15 years.

- The Trustees have adopted and updated a Rehabilitation Plan. The Plan is making the scheduled progress in meeting the requirements of its Rehabilitation Plan, based on the annual standards of the Rehabilitation Plan.

PPA'06 Funded Percentage Historical Information





A historical comparison over the past ten years is shown in the charts above.

Cash Flow

- The Plan is operating under a Rehabilitation Plan that is intended to forestall insolvency of the Fund. Upon insolvency, PBGC financial assistance will be needed to continue payment of Plan benefits at the reduced PBGC guaranteed benefit level.
- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules. We will work with the Trustees to provide annual cash flow projections to assist the Trustees with those updates and to prepare our required assessment of scheduled progress in meeting the requirements of the Rehabilitation Plan.
- The Plan was projected to become insolvent within 12 years (2026) based on a projection shown in the 2015 actuarial status (zone) certification for purposes of reviewing the scheduled progress in meeting the requirements of the Rehabilitation Plan.

Withdrawal Liability

- The actuarial present value of vested plan benefits for withdrawal liability purposes is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions and different actuarial assumptions
- In general for a plan in critical status (Red Zone), reductions in accrued benefits, contribution surcharges, and post-2014 contribution rate increases required to enable the plan to meet the requirements of a Rehabilitation Plan (unless due to increased levels of work, employment, or periods for which compensation is provided) are disregarded for determination of withdrawal liability.
- A detailed report on withdrawal liability is available.

Disclosure Requirements

Annual Funding Notice

- PPA'06 requires the annual funding notice to be provided to participants, employers, unions and government agencies. The notice must be sent by 120 days after the end of the plan year. The actuarial information to be provided in the annual funding notice is shown in *Section 3, Exhibit F*.

- The value of plan benefits earned to date as of January 1, 2015 is $35,062,805,288 using the long-term funding interest rate of 7.50%. As the actuarial value of assets is $16,781,283,666, the Plan's funded percentage is 47.9%, compared to 48.4% in the prior year. The funded percentage is one measure of a plan's funded status. It is not indicative of how well funded a plan may be in the future, especially in the event of plan termination.

Current Liability

- ERISA also requires the disclosure by the actuary of the funding percentage based on "current liability" assumptions and the market value of assets, if it is less than 70%. The Plan's current liability as of January 1, 2015 is $54,100,020,891 using an interest rate of 3.51%, based on 30-year U.S. Treasury security rates. As the market value of assets is $17,863,105,558, this funded current liability percentage is 33.0%. This will be disclosed on the 2015 Schedule MB of IRS Form 5500. Details are shown in *Section 4, Exhibit 5*.

Accounting Information

- The Financial Accounting Standards Board (FASB) requires determination of the present value of accumulated plan benefits - the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. Additional details on the present value of the accumulated plan benefits can be found in *Section 4, Exhibit 6*.

- These present values are determined based on the plan of benefits reflected for FSA purposes and are based upon the actuarial assumptions used to determine the ERISA funding costs of the ongoing Plan. These are not appropriate liability measurements for other purposes such as if the Plan were to terminate.

Section 3: Supplementary Information

EXHIBIT A - TABLE OF PLAN COVERAGE

Category	Year Ended December 31 2013	Year Ended December 31 2014	Change from Prior Year
Active participants in valuation:			
Number	65,324	64,527	-1.2%
Number covered by Default Schedule, Distressed Employer Schedule or Rehabilitation Plan Withdrawal	17,077	16,409	-3.9%
Average age	48.4	48.4	N/A
Average pension credits	14.0	13.7	N/A
Number with unknown age	514	365	-29.0%
Total active vested participants	51,902	48,692	-6.2%
Inactive participants with rights to a pension:			
Number	129,700	128,114	-1.2%
Number covered by Default Schedule, Distressed Employer Schedule or Rehabilitation Plan Withdrawal	21,395	22,675	6.0%
Average age	52.6	53.1	N/A
Pensioners:			
Number in pay status	172,834	170,543	-1.3%
Average age	73.1	73.4	N/A
Average monthly benefit	$1,284	$1,296	0.9%
Number in suspended status	541	700	29.4%
Beneficiaries:			
Number in pay status	32,980	33,276	0.9%
Average monthly benefit	$389	$395	1.5%
Number in suspended status	267	332	24.3%

EXHIBIT B - PARTICIPANT POPULATION

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2005	156,744	86,213	208,666	1.88
2006	154,926	88,025	208,674	1.92
2007[1]	106,169	124,196	209,590	3.14
2008	98,799	125,273	209,127	3.38
2009[2]	80,961	131,304	210,208	4.22
2010[3]	73,800	131,327	211,063	4.64
2011[4]	70,158	130,866	210,214	4.86
2012	68,544	130,926	208,243	4.95
2013	65,324	129,700	206,622	5.15
2014	64,527	128,114	204,851	5.16

1 Reflects withdrawal of UPS.

2 Includes 16,062 YRCW employees in the active participant counts since contributions were assumed to resume for these participants.

3 Includes 12,701 YRCW employees determined to be active based on employment during 2010 in the Health and Welfare Plan and the assumption that contributions on their behalf resumed June 1, 2011.

4 To reflect withdrawal of Hostess, 2,850 participants reported as active are excluded from the active counts. 2,032 of those participants are vested and included with the inactive vested counts.

EXHIBIT C - SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended December 31, 2013		Year Ended December 31, 2014	
Contribution income:				
• Employer contributions	$566,442,633		$584,486,747	
• Withdrawal liability payments	153,928,639		232,836,446	
• Adjustment for receivable employer contributions not collected in time to be recognized in the Schedule MB	4,661,123		-2,128,015	
• Less administrative expenses	-36,799,378		-38,077,564	
Net contribution income		*$688,233,017*		*$777,117,614*
Investment income:				
• Expected market return	$1,252,359,124		$1,328,864,491	
• Recognition of market value gains (losses)	1,114,339,557		469,488,558	
Net investment income		*2,366,698,681*		*1,798,353,049*
Total income available for benefits		**$3,054,931,698**		**$2,575,470,663**
Less benefit payments		-2,822,507,812		-2,822,248,295
Change in reserve for future benefits		**$232,423,886**		**-$246,777,632**

EXHIBIT D - FINANCIAL INFORMATION TABLE

	Year Ended December 31, 2013		Year Ended December 31, 2014	
Cash equivalents		$1,839,575,176		$2,149,965,372
Accounts receivable:				
• Employer contributions, less allowance for uncollectible contributions	$82,384,530		$84,074,040	
• Interest and dividends	55,082,074		62,986,033	
• Other, primarily for securities sold	412,159,973		354,773,980	
Total accounts receivable		*549,626,577*		*501,834,053*
Investments:				
• Cash equivalents	$503,084,159		$652,095,115	
• Fixed income securities	5,067,648,637		5,292,887,935	
• Equity securities	12,412,426,988		11,179,144,418	
• Other, primarily real estate related	834,696,613		808,375,810	
Total investments at market value		*18,817,856,397*		*17,932,503,278*
Total assets		**$21,207,058,150**		**$20,584,302,703**
Less accounts payable:				
• Liability to return collateral held under securities lending agreements	-$1,835,378,512		-$2,142,191,334	
• Payables for securities purchased	-439,737,060		-357,262,621	
• Withdrawal liability refundable	-126,582,722		-154,211,237	
• Accounts payable and accrued expenses	-64,601,302		-67,531,953	
Total accounts payable		*-2,466,299,596*		*-2,721,197,145*
Net assets at market value		**$18,740,758,554**		**$17,863,105,558**
Net assets at actuarial value		**$17,028,061,298**		**$16,781,283,666**

EXHIBIT E - INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

Year Ended December 31	Projected Investment Income	Recognition of Market Value Gains (Losses)	Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Amount	Amount	Percent	Amount	Percent
2005	$1,449,898,000	-$459,090,000	$990,808,000	5.60%	$1,789,709,000	9.90%
2006	1,498,975,253	271,391,109	1,770,366,362	10.04%	2,596,379,000	13.86%
2007	1,507,356,663	895,402,137	2,402,758,800	13.23%	1,182,412,000	5.88%
2008	1,943,506,319	-5,415,952,648	-3,472,446,329	-13.78%	-7,662,335,667	-29.57%
2009	1,223,053,967	2,814,845,365	4,037,899,332	20.41%	4,285,922,156	26.28%
2010	1,382,393,425	-926,146,146	456,247,279	2.11%	2,522,176,805	13.68%
2011	1,407,939,175	-1,437,456,872	-29,517,697	-0.15%	-51,209,902	-0.27%
2012	1,244,976,663	-1,178,311,875	66,664,788	0.37%	2,215,756,783	13.35%
2013	1,252,359,124	1,114,339,557	2,366,698,681	15.05%	3,109,774,297	18.62%
2014	1,328,864,491	469,488,558	1,798,353,049	11.24%	1,167,477,685	6.59%
Total	$14,239,323,080	-$3,851,490,815	$10,387,832,265		$11,156,062,157	
		Most recent five-year average return:		5.11%		10.16%
		Most recent 10-year average return:		5.48%		5.95%

Note: Each year's yield is weighted by the average asset value in that year.

EXHIBIT F - ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015

	2015 Plan Year	2014 Plan Year	2013 Plan Year
Actuarial valuation date	January 1, 2015	January 1, 2014	January 1, 2013
Funded percentage	47.9%	48.4%	47.6%
Value of assets	$16,781,283,666	$17,028,061,298	$16,795,637,412
Value of liabilities	35,062,805,288	35,189,411,452	35,312,128,471
Fair market value of assets as of plan year end	Not available	17,863,105,558	18,740,758,554

Critical or Endangered Status

This Plan was classified as in critical and declining status because there were projected deficiencies in the Funding Standard Account (disregarding the Section 412(e) extension) and insolvency is projected within 15 years. The Trustees have adopted and updated a Rehabilitation Plan.

EXHIBIT G - FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred. For a plan that is in critical status under PPA'06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.

- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, and changes in actuarial assumptions and funding methods. The FSA is credited with employer contributions and withdrawal liability payments.

- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

FSA FOR THE YEAR ENDED DECEMBER 31, 2014 (WITHOUT EFFECT OF 412(e) EXTENSION)

	Charges			Credits	
1	Prior year funding deficiency	$4,983,597,170	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	282,317,656	7	Employer contributions	817,323,193
3	Total amortization charges	2,723,904,562	8	Total amortization credits	1,039,663,178
4	Interest to end of the year	599,236,454	9	Interest to end of the year	108,624,358
5	*Total charges*	*$8,589,055,842*	10	Full-funding limitation credit	0
			11	*Total credits*	*$1,965,610,729*
				Credit balance (Funding deficiency): 11 - 5	**-$6,623,445,113**

The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.

Additional Information Required for Section 412(e) Extension

- Effective for the 2004 Plan Year, the Plan received IRS approval to extend the amortization period by ten years for existing amortization charge bases. There were several financial conditions attached to that approval.
- First, the Plan must maintain a credit balance in the Funding Standard Account that is at least as large as the accumulation (at the Plan's valuation rate) of the amortized (at the Plan's valuation rate over a period of 15 years) differences between the amortization of payments of such bases had such bases been extended and amortized at the Plan's valuation rate. The Plan's credit balance is in excess of the minimum required credit balance as shown below.
- Second, the Plan's funded ratio, calculated by dividing the market value of assets by the actuarial accrued liability (computed using the Unit Credit cost method and the Plan's assumptions as of January 1, 2004), must be at least 59% for each valuation date through January 1, 2011; increasing to 60% on January 1, 2012; 61% on January 1, 2014; 62% of January 1, 2016; and further increasing by 1% for each valuation date after January 1, 2016. Since the ratio for 2009 was less than 59%, the Plan did not meet the requirements and the Funding Standard Account is determined as if the extension was never granted. While the chart on the previous page shows the development of the December 31, 2014 funding deficiency without regard to the 412(e) amortization extension, the chart below details the credit balance development as if the 412(e) amortization extension was still in effect.

FSA FOR THE YEAR ENDED DECEMBER 31, 2014 (INCLUDING 412(e) EXTENSION)

Charges			Credits		
1	Prior year funding deficiency	$0	6	Prior year credit balance	$10,806,307,211
2	Normal cost, including administrative expenses	282,317,656	7	Employer contributions	817,323,193
3	Total amortization charges	2,368,455,607	8	Total amortization credits	1,039,663,178
4	Interest to end of the year	146,709,206	9	Interest to end of the year	919,097,399
5	*Total charges*	*$2,797,482,469*	10	Full-funding limitation credit	0
			11	*Total credits*	*$13,582,390,981*
				Credit balance (Funding deficiency)*: 11 - 5	**$10,784,908,512**

** Exceeds minimum required credit balance of $6,173,289,152 in accordance with the conditions of the amortization extension under IRC Section 412(e).*

EXHIBIT H - MAXIMUM DEDUCTIBLE CONTRIBUTION

- Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.
- One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date.
- Contributions in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.
- The Trustees should review the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts with Fund Counsel.

1	Normal cost, including administrative expenses	$296,684,544
2	Amortization of unfunded actuarial accrued liability	2,477,544,588
3	Preliminary maximum deductible contribution: 1 + 2, with interest to the end of the plan year	$2,982,296,317
4	Full-funding limitation (FFL)	33,261,266,735
5	Preliminary maximum deductible contribution, adjusted for FFL: lesser of 3 and 4	2,982,296,317
6	Current liability for maximum deductible contribution, projected to the end of the plan year	53,634,420,160
7	Actuarial value of assets, projected to the end of the plan year	15,009,711,409
8	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	60,078,476,815
9	End of year minimum required contribution	9,235,664,385
Maximum deductible contribution: greatest of 5, 8, and 9		**$60,078,476,815**

- In a multiemployer plan, the Trustees generally have no control over the contributions received because those contributions depend on economic conditions. Action may be limited to establishing benefits so that the maximum allowable deduction levels are not exceeded under a reasonable income assumption and to taking prompt action whenever the limits are exceeded. It has been our understanding that Section 413(b)(7) of the Internal Revenue Code allows full deductions for contributions to multiemployer plans if the anticipated contributions for the plan year are less than the maximum, even if the actual contributions exceed the maximum. However, an IRS General Counsel's Memorandum expresses a different view. An IRS Private Ruling issued in October 2002 limits that Memorandum to its facts, and supports the conclusion that all contributions to a multiemployer plan are deductible if the total reasonably anticipated amount as of the start of the year was within the limits. Since a Private Letter Ruling is, technically, binding only with respect to the plan to which it was issued, Trustees faced with a similar question will need to decide, in consultation with Fund Counsel, whether to seek their own ruling or to wait to deal with it when and if challenged by an IRS auditor.

- You should review with Fund Counsel the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts.

EXHIBIT I - PENSION PROTECTION ACT OF 2006

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones": critical status, endangered status, or neither.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

<table>
<tr>
<td>Critical Status
(Red Zone)</td>
<td>A plan is classified as being in critical status (the Red Zone) if:

The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
There is a projected FSA deficiency within four years, or
There is a projected inability to pay benefits within five years, or
The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or
As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the Red Zone within five years and the plan sponsor elects to be in critical status.

A critical status plan is further classified as being in critical and declining status if:

The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or
The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or
There is an inability to pay benefits projected within 15 years.

Any amortization extensions are ignored for testing initial entry into the Red Zone.
The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency.
Trustees of Red Zone plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.
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Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone.*

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within six years must elect whether or not to enter the *Red Zone* for the current year.

EXHIBIT J - SECTION 415 LIMITATIONS

- Section 415 of the IRC specifies in terms of pay or dollars the maximum benefit that may be paid to an individual from a defined benefit plan and the maximum amount that may be allocated each year to an individual's account in a defined contribution plan.
- If an individual is covered only by multiemployer plans, the plans' benefits do not have to be combined. If the individual is covered by a multiemployer and a single-employer plan, the benefits from all plans maintained by the same employer are combined. Multiemployer plan benefits do not need to be combined with single-employer plan benefits in testing the pay-based limit but are combined for testing the dollar-based limit.
- A qualified pension plan may not pay benefits in excess of the IRC Section 415 limits. Non-compliance can result in disqualification of the plan; the plan could lose its tax-exempt status, employers could lose their deductions and active participants could be taxed on their vested benefits.
- Section 415(b) as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) limits the maximum annual benefit payable to a dollar limit of $160,000 indexed for inflation. The dollar limit indexed for inflation has remained unchanged at $210,000 for 2014 and 2015. The limits must be adjusted based on each participant's circumstances for such things as age at retirement and form of benefits chosen.
- While the actual determination of the exact limits applicable to each participant's benefit can only be determined when the individual retires and applies for benefits, the overall impact of the Section 415 dollar limits has been reflected in this valuation for minimum and maximum funding purposes, based on our understanding of the requirements of IRC Sections 404, 412, 415, and 431 and the data available to us.
- The Trustees should review the interpretation and applicability of the law and regulations in this area with Fund Counsel.

Section 4: Certificate of Actuarial Valuation

AUGUST 14, 2015

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal"), has prepared an actuarial valuation of the Central States, Southeast and Southwest Areas Pension Plan as of January 1, 2015 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by Central States with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in *Exhibit 1*. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Redacted by the US Department of Treasury [redacted]

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 14-05773

EXHIBIT 1 - SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 33,276 beneficiaries in pay status, 700 pensioners in suspended status and 332 beneficiaries in suspended status)		204,851
Participants inactive during year ended December 31, 2014 with vested rights (including 816 participants with unknown age)		128,114
Participants active during the year ended December 31, 2014 (including 365 participants with unknown age)		64,527
Fully vested	48,692	
Not vested	15,835	
Total participants		**397,492**

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$296,684,544
Actuarial accrued liability		35,062,805,288
Pensioners and beneficiaries	$23,564,718,570	
Inactive participants with vested rights	6,397,636,520	
Active participants	5,100,450,198	
Actuarial value of assets ($17,863,105,558 at market value as reported in draft financial statements)		$16,781,283,666
Unfunded actuarial accrued liability		18,281,521,622

EXHIBIT 2 - INFORMATION ON PLAN STATUS AS OF JANUARY 1, 2015

Plan status (as certified on March 31, 2015, for the 2015 zone certification)	***Critical and Declining***
Scheduled progress (as certified on March 31, 2015, for the 2015 zone certification)	Yes
Actuarial value of assets for FSA	$16,781,283,666
Accrued liability under unit credit cost method	35,062,805,288
Funded percentage for monitoring plan's status	47.9%
Reduction in unit credit accrued liability resulting from the reduction in adjustable benefits since the prior valuation date	13,502,229

EXHIBIT 3 - SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8B)

The participant data is for the year ended December 31, 2014

Age	Pension Credits										
	Total	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	1,907	615	1,263	29	–	–	–	–	–	–	–
25 - 29	3,114	528	1,887	674	25	–	–	–	–	–	–
30 - 34	3,984	507	1,684	1,240	519	34	–	–	–	–	–
35 - 39	5,078	478	1,644	1,321	1,046	571	18	–	–	–	–
40 - 44	6,930	539	1,712	1,477	1,446	1,280	452	24	–	–	–
45 - 49	9,381	483	1,654	1,532	1,625	1,997	1,351	719	20	–	–
50 - 54	12,620	447	1,452	1,513	1,788	2,306	2,139	2,194	687	94	–
55 - 59	12,728	248	1,050	1,173	1,400	1,935	1,998	2,503	1,522	850	49
60 - 64	7,083	85	427	592	775	1,026	997	1,292	917	734	238
65 - 69	1,189	13	74	134	152	193	166	139	112	122	84
70 & over	148	4	24	19	16	16	16	14	16	8	15
Unknown	365	130	213	19	3	–	–	–	–	–	–
Total	**64,527**	**4,077**	**13,084**	**9,723**	**8,795**	**9,358**	**7,137**	**6,885**	**3,274**	**1,808**	**386**

EXHIBIT 4 - FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending December 31, 2015.

Charges			Credits		
1	Prior year funding deficiency	$6,623,445,113	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	296,684,544	7	Amortization credits	1,052,718,511
3	Amortization charges	2,723,904,561	8	Interest on 6 and 7	78,953,888
4	Interest on 1, 2 and 3	723,302,566	9	Full-funding limitation credit	0
5	Total charges	$10,367,336,784	10	Total credits	$1,131,672,399
Minimum contribution with interest required to avoid a funding deficiency: 5 - 10, not less than zero					$9,235,664,385

Full funding limitations (FFL) and credits:

ERISA FFL (accrued liability FFL)	$19,971,571,628
RPA'94 override (90% current liability FFL)	33,261,266,735
FFL credit	0

Note: The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since anticipated condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges, Without Amortization Extension) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan Amendment	01/01/1993	$38,762,592	8	$244,072,591
Plan Amendment	01/01/1994	31,006,197	9	212,618,908
Change in Assumptions	01/01/1995	17,021,297	10	125,598,224
Plan Amendment	01/01/1995	73,323,008	10	541,042,196
Plan Amendment	01/01/1996	25,039,818	11	196,915,159
Plan Amendment	01/01/1997	28,387,073	12	236,050,556
Plan Amendment	01/01/1998	78,124,643	13	682,440,495
Plan Amendment	01/01/1999	77,674,687	14	708,846,790
Plan Amendment	01/01/2000	39,147,195	15	371,473,747
Experience Loss	01/01/2001	70,722,931	1	70,722,931
Plan Amendment	01/01/2001	21,660,667	16	212,861,964
Experience Loss	01/01/2002	72,276,217	2	139,509,907
Plan Amendment	01/01/2002	17,972,771	17	182,270,982
Plan Amendment	01/01/2003	8,357,478	18	87,201,594
Experience Loss	01/01/2003	326,695,127	3	913,297,517
Change in Assumptions	01/01/2003	123,927,774	18	1,293,057,404
Experience Loss	01/01/2005	185,462,548	5	806,637,130
Experience Loss	01/01/2006	69,704,771	6	351,722,250
Change in Assumptions	01/01/2006	148,231,626	21	1,659,377,651
Change in Assumptions	01/01/2007	237,812,085	22	2,714,263,555
Plan Amendment	01/01/2009	167,530	9	1,148,807

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges, Without Amortization Extension) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2009	561,524,191	9	3,850,541,828
Experience Loss	01/01/2011	123,801,820	11	973,587,532
Experience Loss	01/01/2012	162,390,815	12	1,350,348,508
Change in Assumptions	01/01/2013	42,965,078	13	375,311,913
Experience Loss	01/01/2013	141,744,622	13	1,238,178,716
Total		**$2,723,904,561**		**$19,539,098,855**

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Credits) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Gain	01/01/2004	$44,825,572	4	$161,395,624
Plan Amendment	01/01/2004	20,969,649	19	224,501,257
Change in Assumptions	01/01/2004	40,431,538	19	432,860,418
Experience Gain	01/01/2007	62,145,951	7	353,849,498
Plan Amendment	01/01/2008	88,507,360	8	557,295,563
Experience Gain	01/01/2008	176,591,670	8	1,111,927,345
Plan Amendment	01/01/2010	1,422,139	10	10,493,804
Experience Gain	01/01/2010	301,688,293	10	2,226,123,828
Plan Amendment	01/01/2011	1,283,693	11	10,095,062
Change in Assumptions	01/01/2011	25,645,809	11	201,680,719
Plan Amendment	07/01/2011	57,365,342	11.5	464,305,461
Plan Amendment	01/01/2012	18,176,560	12	151,145,805
Plan Amendment	01/01/2013	3,142,834	13	27,453,531
Plan Amendment	01/01/2014	2,329,146	14	21,255,413
Experience Gain	01/01/2014	134,693,412	14	1,229,190,557
Change in Assumptions	01/01/2015	630,383	15	5,981,802
Plan Amendment	01/01/2015	1,422,912	15	13,502,229
Experience Gain	01/01/2015	71,446,248	15	677,964,430
Total		**$1,052,718,511**		**$7,881,022,346**

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges, With Amortization Extension) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined and offset charge	01/01/1992	$244,872,868	6.48	$1,586,776,185
Experience Loss	01/01/1993	5,708,926	3	17,126,778
Plan Amendment	01/01/1993	15,393,357	18	277,080,417
Experience Loss	01/01/1994	8,021,839	4	32,087,354
Plan Amendment	01/01/1994	12,167,722	19	231,186,712
Experience Loss	01/01/1995	13,932,561	5	69,662,805
Change in Assumptions	01/01/1995	6,595,242	20	131,904,830
Plan Amendment	01/01/1995	28,409,944	20	568,198,885
Experience Loss	01/01/1996	2,806,665	6	16,839,990
Plan Amendment	01/01/1996	9,572,574	21	201,024,059
Plan Amendment	01/01/1997	10,700,968	22	235,421,288
Plan Amendment	01/01/1998	29,025,961	23	667,597,106
Experience Loss	01/01/1999	11,209,234	9	100,883,108
Plan Amendment	01/01/1999	28,430,936	24	682,342,472
Plan Amendment	01/01/2000	14,111,678	25	352,791,962
Experience Loss	01/01/2001	29,269,584	11	321,965,429
Plan Amendment	01/01/2001	7,687,553	26	199,876,387
Plan Amendment	01/01/2002	6,278,856	27	169,529,110
Experience Loss	01/01/2002	29,937,743	12	359,252,912
Plan Amendment	01/01/2003	2,873,440	28	80,456,311
Change in Assumptions	01/01/2003	42,608,828	28	1,193,047,191

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges, With Amortization Extension) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2003	135,034,044	13	1,755,442,567
Experience Loss	01/01/2005	185,462,548	5	806,637,130
Experience Loss	01/01/2006	69,704,771	6	351,722,250
Change in Assumptions	01/01/2006	148,231,626	21	1,659,377,651
Change in Assumptions	01/01/2007	237,812,085	22	2,714,263,555
Plan Amendment	01/01/2009	167,530	9	1,148,807
Experience Loss	01/01/2009	561,524,191	9	3,850,541,828
Experience Loss	01/01/2011	123,801,820	11	973,587,532
Experience Loss	01/01/2012	162,390,815	12	1,350,348,508
Change in Assumptions	01/01/2013	42,965,078	13	375,311,913
Experience Loss	01/01/2013	141,744,622	13	1,238,178,716
Total		**$2,368,455,609**		**$22,571,611,748**

Note: Bases established through January 1, 2003 are amortized at 0% interest as of January 1, 2015 with the 412(e) amortization extension, which is not reflected in this valuation. On February 12, 2009, the Plan filed an application with the IRS to change the conditions of the amortization extension. Since any condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.

EXHIBIT 4 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Equation of Balance

1	Net outstanding balance of bases	$11,658,076,509
2	Credit balance (Funding deficiency)	-6,623,445,113
3	Unfunded actuarial accrued liability: 1 - 2	$18,281,521,622

EXHIBIT 5 - CURRENT LIABILITY[1]

The table below presents the current liability for the Plan Year beginning January 1, 2015.

Item		Amount
Retired participants and beneficiaries receiving payments		$31,736,480,228
Inactive vested participants		12,839,864,152
Active participants		
Non-vested benefits	$553,274,092	
Vested benefits	8,970,402,419	
Total active		*$9,523,676,511*
Total		**$54,100,020,891**
Expected increase in current liability due to benefits accruing during the plan year		$534,944,916
Expected release from current liability for the plan year		2,863,785,230
Expected plan disbursements for the plan year, including administrative expenses of $48,400,000		2,912,185,230
Current value of assets		$17,863,105,558
Percentage funded for Schedule MB		33.0%

[1] The actuarial assumptions used to calculate these values are shown in *Exhibit 8*.

EXHIBIT 6 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of January 1, 2014 and as of January 1, 2015. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	January 1, 2014	January 1, 2015
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	$23,681,961,891	$23,564,718,570
Other vested benefits	11,266,513,194	11,269,840,011
Total vested benefits	$34,948,475,085	$34,834,558,581
Actuarial present value of non-vested accumulated plan benefits	240,936,367	228,246,707
Total actuarial present value of accumulated plan benefits	**$35,189,411,452**	**$35,062,805,288**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	-$13,502,229
Benefits accumulated	273,839,855
Net experience gain or loss and changes in data	-83,265,715
Benefits paid	-2,822,248,295
Changes in actuarial assumptions	-5,981,802
Interest	2,524,552,022
Total	**-$126,606,164**

EXHIBIT 7 - ACTUARIAL FUNDED STATUS (IRC 412(e) LETTER BASIS)

The actuarial funded status on the IRC 412(e) letter basis uses the actuarial assumptions from the January 1, 2004 Valuation Report.

	January 1, 2014	January 1, 2015
Interest rate	8.0%	8.0%
Actuarial liability	$29,822,856,638	$29,653,206,197
Market value of assets	$18,740,758,554	$17,863,105,558
Funded ratio	62.8%	60.2%
Minimum required funded ratio per IRC 412(e) condition	61.0%	61.0%

EXHIBIT 8 - STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Decrements	*Rates of Retirement:* Table A, except effective July 1, 2011, benefits commence no earlier than age 57 The retirement rates were based on historical and current demographic data, adjusted to reflect the economic conditions of the industry and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual liability change due to retirements and the projected liability change based on the prior years' assumption over the most recent five years. *Rates of Withdrawal Prior to Retirement:* Table B *Rates of Disability:* Table C The withdrawal rates and disability rates were based on historical and current demographic data, adjusted to reflect the economic conditions of the industry and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual liability change due to withdrawals and disability retirements and the projected liability change based on the prior years' assumption over the most recent five years. *Rates of Mortality for Non-Annuitant Lives:* RP-2014 Blue Collar Employee tables (sex distinct) with rates increased by 15%, and generational projection using Scale MP-2014 from 2014 *Rates of Mortality for Healthy Annuitant Lives:* RP-2014 Blue Collar Healthy Annuitant tables (sex distinct) with rates increased by 15%, and generational projection using Scale MP-2014 from 2014 *Rates of Mortality for Disabled Lives:* RP-2014 Disabled Retiree tables (sex distinct) with rates increased by 15%, and generational projection using Scale MP-2014 from 2014 The adjusted underlying tables with the generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These adjusted mortality tables were then projected to future years using the generational projection to reflect future mortality improvement from 2014. The mortality rates were based on historical and current demographic data, adjusted to reflect health characteristics of the industry, and estimated future experience and professional judgment. As part of this analysis, a comparison was made between the actual number of deaths and liability change due to deaths, and the projected number and liability changes based on the prior years' assumption over the most recent five years. Note: The rates described above are rates of decrement, not probability rates. Probability rates at a given age are calculated by considering all applicable rates of decrement at that age.

Table A
Retirement (%)

	Benefit Classes 1 – 14		Benefit Classes 15 and 16				Benefit Classes 17A and 17B			
Age	Under 20	20 & Over	Under 20	20 – 24	25 – 29*	30 & Over*	Under 20	20 – 24	25 – 29*	30 & Over*
48	0.0	0.0	0.0	0.0	1.0	10.0	0.0	0.0	2.0	10.0
49	0.0	0.0	0.0	0.0	2.0	10.0	0.0	0.5	2.0	10.0
50	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
51	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
52	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
53	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
54	1.0	3.0	1.0	1.5	5.0	10.0	0.5	1.5	6.0	15.0
55	1.0	4.0	1.5	3.0	6.0	10.0	1.0	2.5	8.0	15.0
56	1.0	5.0	2.0	5.0	8.0	10.0	2.0	4.0	10.0	20.0
57	2.5	6.0	5.0	7.0	12.0	18.0	4.0	9.5	15.0	25.0
58	3.0	6.0	5.0	9.0	13.0	17.0	4.0	9.0	15.0	25.0
59	3.0	7.0	5.0	10.0	15.0	17.5	6.0	9.5	15.0	25.0
60	6.0	15.0	8.0	15.0	20.0	20.0	7.5	10.5	20.0	25.0
61	10.0	20.0	15.0	25.0	30.0	35.0	12.0	18.0	30.0	35.0
62	25.0	50.0	35.0	50.0	55.0	65.0	27.5	37.0	50.0	65.0
63	25.0	35.0	25.0	35.0	50.0	50.0	24.5	30.5	50.0	55.0
64	25.0	35.0	25.0	35.0	45.0	40.0	23.0	32.5	45.0	50.0
65	50.0	55.0	50.0	60.0	60.0	55.0	48.0	46.0	60.0	55.0
66	30.0	35.0	40.0	60.0	60.0	55.0	34.0	35.5	40.0	45.5
67	25.0	25.0	35.0	35.0	35.0	45.0	28.5	35.0	40.0	35.0
68	25.0	25.0	30.0	35.0	35.0	30.0	33.5	18.5	25.0	20.0
69	25.0	25.0	30.0	35.0	35.0	30.0	21.0	12.5	30.0	20.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the "20-24" rates.

Table A (continued)
Retirement (%)

Age	Benefit Class 18** Under 20	Benefit Class 18** 20 – 24	Benefit Class 18** 25 – 29*	Benefit Class 18** 30 & Over*	Benefit Class 18 Plus Under 20	Benefit Class 18 Plus 20 – 24	Benefit Class 18 Plus 25 – 29*	Benefit Class 18 Plus 30 & Over*	Vested Inactive Participants** Vested Pension	Vested Inactive Participants** 20 Year Service	Vested Inactive Participants** 30 & Out Benefit
48	0.0	1.0	2.0	10.0	0.0	0.0	2.0	10.0	0.0	0.0	20.0
49	0.0	1.0	3.0	10.0	0.0	0.5	3.0	10.0	0.0	13.0	20.0
50	0.0	1.5	4.0	10.0	0.25	0.5	4.0	10.0	0.5	20.0	20.0
51	0.0	2.0	5.0	10.0	0.25	1.0	5.0	10.0	0.5	8.0	20.0
52	0.5	2.0	7.0	10.0	0.25	1.0	7.0	10.0	0.5	8.0	20.0
53	0.5	1.5	7.0	10.0	0.25	1.0	7.0	10.0	1.0	8.0	20.0
54	0.5	3.0	9.0	15.0	0.5	1.5	9.0	15.0	1.5	9.0	20.0
55	1.0	3.0	10.0	15.0	2.0	2.5	10.0	15.0	2.5	8.0	20.0
56	1.5	5.5	15.0	20.0	2.0	4.0	15.0	20.0	2.5	12.0	35.0
57	3.5	12.5	30.0	25.0	3.0	9.5	30.0	25.0	4.0	19.0	35.0
58	3.5	11.0	20.0	25.0	4.0	9.0	20.0	25.0	4.0	10.0	30.0
59	4.0	13.0	20.0	25.0	4.0	9.5	20.0	25.0	4.0	12.0	30.0
60	4.5	15.5	25.0	25.0	4.0	10.5	25.0	25.0	5.0	19.0	30.0
61	10.5	20.0	30.0	35.0	8.0	18.0	30.0	35.0	8.0	24.0	30.0
62	27.0	35.5	60.0	65.0	20.0	37.0	60.0	65.0	15.0	36.0	50.0
63	20.0	27.0	45.0	45.0	10.0	30.5	45.0	45.0	8.0	23.0	50.0
64	20.0	35.0	45.0	40.0	25.0	32.5	45.0	40.0	15.0	27.0	25.0
65	50.0	61.0	45.0	50.0	35.0	46.0	45.0	50.0	30.0	48.0	25.0
66	25.0	38.0	40.0	50.0	50.0	35.5	40.0	50.0	8.0	24.0	25.0
67	25.5	36.0	40.0	50.0	25.0	35.0	40.0	50.0	8.0	17.0	25.0
68	25.0	18.0	30.0	35.0	25.0	18.5	30.0	35.0	8.0	18.0	25.0
69	25.0	9.0	30.0	20.0	25.0	12.5	30.0	20.0	8.0	18.0	25.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the “20-24” rates.

** YRCW participants subject to benefit reductions under the Distressed Employer Schedule are assumed to retire in accordance with the “Under 20” or “Vested Pension” rates. In addition, YRCW participants who were age 55 with 25 years of service as of July 1, 2009 are assumed to defer benefit commencement until age 62.

Table B
Withdrawals (%) *

Years of Service	Classes 1 – 14	Classes 15 and 16	Classes 17A and 17B	Class 18	Class 18 Plus
0	40.00	35.00	35.00	25.00	35.00
1	30.00	25.00	20.00	14.00	20.00
2	25.00	20.00	15.00	10.00	15.00
3	25.00	15.00	12.00	10.00	15.00
4	20.00	14.00	12.00	8.00	13.00
5	20.00	13.00	10.00	6.00	13.00
6	17.00	11.00	10.00	6.00	10.00
7	16.00	10.00	10.00	6.00	8.00
8	15.00	10.00	10.00	6.00	8.00
9	15.00	10.00	7.00	6.00	8.00
10	15.00	9.00	7.00	5.00	8.00
11	15.00	9.00	7.00	5.00	8.00
12	13.00	8.00	6.00	4.00	8.00
13	13.00	7.00	5.00	4.00	8.00
14	13.00	6.00	4.00	3.00	7.00
15	10.00	6.00	4.00	3.00	4.00
16	9.00	6.00	4.00	2.00	4.00
17	8.00	5.00	4.00	2.00	4.00
18	8.00	5.00	4.00	2.00	4.00
19	9.00	5.00	4.00	2.00	4.00
20	11.00	5.00	4.00	2.00	4.00
21	9.00	5.00	3.00	2.00	3.00
22	8.00	5.00	3.00	2.00	2.00
23	7.00	5.00	2.00	2.00	2.00
24	6.00	5.00	2.00	1.00	2.00
25	6.00	3.00	2.00	1.00	2.00
26	6.00	3.00	2.00	1.00	2.00
27	6.00	2.00	1.00	1.00	1.00
28	6.00	2.00	1.00	1.00	1.00
29	5.00	2.00	1.00	1.00	1.00
30 & over	5.00	2.00	1.00	1.00	1.00

* Withdrawal rates cut out at eligibility for retirement provided a non-zero rate of retirement apply at that age.

Table C
Disability (%)

Age	Rate of Disability	Age	Rate of Disability	Age	Rate of Disability
21	0.00	36	0.03	51	0.10
22	0.00	37	0.04	52	0.09
23	0.00	38	0.05	53	0.09
24	0.00	39	0.06	54	0.09
25	0.00	40	0.07	55	0.09
26	0.00	41	0.08	56	0.09
27	0.00	42	0.10	57	0.09
28	0.00	43	0.10	58	0.09
29	0.00	44	0.11	59	0.08
30	0.00	45	0.12	60	0.08
31	0.00	46	0.12	61	0.07
32	0.01	47	0.13	62	0.07
33	0.02	48	0.12	63	0.06
34	0.02	49	0.11	64	0.04
35	0.03	50	0.11	65	0.03

Table D
Mortality* (%)

	Healthy**		Disabled	
Age	Male	Female	Male	Female
20	0.06	0.02	0.80	0.25
25	0.07	0.02	0.95	0.27
30	0.07	0.03	0.90	0.34
35	0.08	0.04	1.04	0.45
40	0.09	0.05	1.24	0.62
45	0.14	0.08	1.91	1.02
50	0.25	0.14	2.29	1.35
55	0.41	0.21	2.65	1.65
60	0.96	0.65	3.03	1.93
65	1.44	0.98	3.61	2.35
70	2.22	1.57	4.56	3.17
75	3.55	2.59	6.11	4.62
80	5.83	4.30	8.62	6.88
85	9.77	7.32	12.75	10.18
90	16.50	12.59	19.50	14.93

* Rates above are sample rates in 2015. Rates are projected on a generational basis after 2015 using Scale MP-2014.
** Employee rates shown for ages 20-55 and annuitant rates shown for ages 60-90.

Description of Weighted Average Retirement Age	Age 62, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2015 actuarial valuation.
Future Benefit Accruals	One year of service per year The future benefit accruals were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual benefit accruals over the most recent five years.
Frequency of Employer Contributions	(see table below) The frequency of employer contributions was based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual frequency of employer contributions over the most recent five years.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male. The Fund Office adjusted for missing birth dates by assuming that they were 30 years prior to participation date.
Definition of Active Participants	Active participants are defined as those reported as Active by the Fund Office excluding those who have retired as of the valuation date. All actives have earned one year of vesting service in the most recent plan year.
Exclusion of Inactive Vested Participants	Inactive participants over age 70 are excluded from the valuation, based on an assumption that they will not ultimately apply for a pension or respond to inquiries by the Fund Office. This assumption does not apply to those UPS participants that became inactive vested participants as a result of UPS's withdrawal. The exclusion of inactive vested participants over age 70 was based on historical and current demographic data, adjusted to reflect advice from the Trustees and estimated future experience and professional judgment. As part of the analysis, the ages of new retirees from inactive vested status were reviewed.
Percent Married	80% The percent married was based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of this analysis, the percent married was reviewed.

Frequency of Employer Contributions:

Benefit Class	Assumed Weeks Worked	Assumed Days Worked	Assumed Hours Worked
1 through 14	47	210	1,300
15 & 16	51	210	1,700
17A & 17B	51	240	1,700
18 & 18 Plus	51	240	1,700

Age and Sex of Spouse	Spouses are assumed to be the opposite sex of participants. Females are three years younger than male spouses. The age and sex of spouse were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of this analysis, the age and sex of spouse were reviewed.
Benefit Election	Married participants are assumed to elect the 50% Joint and Survivor Annuity. Single participants are assumed to elect the Single Life Annuity with 60 months of payments guaranteed (without guarantee for participants on the Default Schedule). The benefit elections were based on historical and current demographic data, adjusted to reflect the plan design and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the most recent five years.
Net Investment Return	7.50% - The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was done that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Rogerscasey, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$48,400,000, payable monthly, for the year beginning January 1, 2015 (equivalent to $46,550,723 payable at the beginning of the year). The annual administrative expenses were based on the expense budget for the upcoming year, which reflects the recent PBGC premium increase.
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Unit Credit Actuarial Cost Method. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service.
Benefit Class	Plan participants are assumed to remain in their current Benefit Class until termination or retirement.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	*Interest: 3.51%*, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants

Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	Based on past experience and future expectations, the following actuarial assumptions were changed as of January 1, 2015 for funding purposes, and December 31, 2014 as applicable for withdrawal liability purposes: ➤ Administrative expenses, previously $37,000,000, payable monthly. ➤ Mortality for healthy lives, previously RP-2000 Combined Healthy Blue Collar Mortality Table (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter ➤ Mortality for disabled lives, previously RP-2000 Disabled Retiree Mortality Table (sex distinct)
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 11.2%, for the Plan Year ended December 31, 2014 *On current (market) value of assets (Schedule MB, line 6h):* 6.6%, for the Plan Year ended December 31, 2014
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a July 1 contribution date.

EXHIBIT 9 - SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	January 1 through December 31
Pension Credit Year	January 1 through December 31
Plan Status	Ongoing plan
Participation	Employee is eligible to participate when at least 20 weeks of contributions have been made on his or her behalf in the first year of employment or in any calendar year thereafter (for Benefit Classes 15A through 18+, need 20 weeks or 75 days of contributions).
Contributions	Employers made daily or weekly contributions on behalf of their employees, as established by a collective bargaining agreement. These contribution rates are a factor in determining Benefit Class. Minimum contribution rates vary by several factors, including Benefit Class and year of last contract. The average annual contribution per participant, based on the assumptions regarding frequency is $9,010.
Service Credit	Sum of Contributory Credit and Non-Contributory Credit.
Contributory Credit	Credit is based on contributions made by employer on employee's behalf. Contributory Credit is earned on a calendar year basis according to the following schedule: <u>Benefit Classes 1 – 14</u> 0 – 19 weeks contributed: No Credit 20 – 39 weeks contributed: Number of weeks divided by 40 40 or more weeks contributed: 1 year credit <u>Benefit Classes 15A – 18+</u> 0 – 19 weeks contributed: No Credit 20 – 39 weeks contributed: Number of weeks divided by 40 40 or more weeks contributed: 1 year credit Or 74 days contributed: No Credit 75 – 179 days contributed: Number of days divided by 180 180 or more days contributed: 1 year credit

Non-Contributory Credit	Employee can earn Non-Contributory Credit if he or she became a Participant prior to April 1, 1985, and if he or she worked for a Teamster type organization prior to becoming a participant in this plan. Up to one year of Non-Contributory Credit can be given for each year of Contributory Credit.
Reemployment	If a pensioner or disabled Participant returns to work, benefit payments may be suspended pursuant to the terms of the Plan. Benefit may have to be re-calculated if he or she earns additional credit.
Vesting Service	A Participant earns one year of Vesting Service for each calendar year during which the employer makes at least 20 weeks of contribution on his or her behalf (20 weeks or 75 days for Benefit Classes 15A through 18+). A Participant becomes vested upon earning five years of vesting service.
Break in Service	A one-year break is a calendar year with less than 10 weeks of Contributory Credit, Non-Contributory Credit, or Vesting Service. A Break in Service occurs when a non-vested Participant has the greater of a) five consecutive one-year breaks, or b) a number of consecutive one-year breaks equal to the number of years of Vesting Service prior to the one-year breaks.
Retirement Benefits	A Participant receives the best of the following benefit types at retirement: • Twenty-Year Service Pension • Contribution-Based Pension • Contributory Credit Pension

Twenty-Year Service Pension

This benefit is earned by combining Contributory Credit and Non-Contributory Credit, and at least one-half of the total Credit must be Contributory.

This Benefit is based on Benefit Class and age at retirement as follows:

	Monthly Pension Benefit				
Benefit Class	Age 57	Age 58	Age 59	60-64	Age 65
1	$60	$60	$60	$60	$60
2	90	90	90	90	90
2A	125	125	125	125	125
3	140	140	140	170	170
3A	170	170	170	210	210
4	225	225	225	275	275
5	260	260	260	315	315
6	285	285	285	350	350
7	330	330	330	400	400
8	365	365	365	445	445
9	400	400	400	485	485
10	435	435	435	530	530
11	490	490	490	595	595
12	575	575	575	675	675
13	600	600	600	725	725
14	625	625	625	775	775
15	700	750	800	900	900
16	700	750	800	900	1,100
17A&B	700	750	800	900	1,100
18&18+	700	750	800	900	1,100

- *Eligibility:* Attain age 50 while an active plan participant with 20 years of Credit
  Or
  30 years of Credit, regardless of age.
- *Amount:* Monthly pension benefit is based on chart above using age on the earlier of 1) retirement date, or 2) date or termination. Benefit is reduced by .5% for each month retirement age precedes age 57.

Deferred Pension (Special Provision)	• *Eligibility:* Attain age 57 while an active plan participant with 20 years of Credit Or 20 years of Contributory Credit, regardless of age, with at least 20 weeks under Schedule B of the Benefit Class Rate Chart Or Attain age 50 while an active plan participant with 20 years of Contributory Credit. • *Amount:* Monthly pension benefit is based on previous chart using age at retirement (not age at termination). This special Deferred Pension allows a participant to terminate employment, but delay retirement to a later date to receive a greater benefit. This benefit is reduced .5% for each month retirement age precedes age 57. This benefit is not payable prior to age 50.
Contribution-Based Pension	• *Eligibility:* Five years of Vesting Service. • *Amount:* This monthly pension benefit is payable, unreduced, at the earlier of age 65 and age 62 with 20 years of Credit, and is equal to (a) + (b) + (c): (a) 1% of all employer contributions paid on the Participant's behalf on or after January 1, 2004; (b) 2% of all employer contributions paid on the Participant's behalf on or after January 1, 1986 through December 31, 2003; (c) Pre-1986 credit is determined using a formula as defined in the January 1, 1985 Pension Plan. This benefit can be taken early, with a reduction of .5% for each month retirement date precedes age 65, or age 62 with 20 years of Credit if earlier.
Contributory Pension	• *Eligibility (must meet any of the following):* ➢ 30 years of Contributory Credit, with at least ½ year of Contributory Credit earned prior to January 1, 2004 and Contribution being made under Schedule B of the Benefit Class Rate Chart; ➢ At least age 57 with at least 20 years of Contributory Credit and Benefit Class 16 or higher; ➢ At least age 57 with at least 25 years of Contributory Credit and Benefit Class 15C or higher; ➢ At least age 60 with at least 25 years of Contributory Credit and Benefit Class 15A or higher; ➢ 25 years of Contributory Credit and Benefit Class 17A, 18, or 18+; ➢ At least age 55 with at least 25 years of Contributory Credit and Benefit Class 17B; ➢ At least age 50 with at least 20 years of Contributory Credit and Benefit Class 18 or 18+.

- *Amount:* The sum of (a) and (b), where:
  (a) 1% of Contributions paid on participant's behalf on or after January 1, 2004 (payable monthly and reduced .5% per month for retirement prior to 62);
  (b) a percentage (determined by taking years of Contributory Credit as of December 31, 2003 divided by total Contributory Credit at retirement) of the amount, payable monthly, taken from the following charts (age used in chart should be age at date or termination).

For Benefit Classes 1 – 14:

Use age 60 amount from Twenty-Year Service Pension Chart.

For Benefit Class 15A:

Age	25 Years	30 Years
Any	$0	$1,000
60-61	950	1,050
62-64	1,050	1,125
65+	1,125	1,250

For Benefit Class 15B:

Age	25 Years	30 Years
Any	$0	$1,000
60-61	1,000	1,100
62-64	1,100	1,250
65+	1,250	1,500

For Benefit Class 15C (Phase I):

Age	25 Years	30 Years
Any	$0	$1,000
57-59	900	1,125
60-61	1,125	1,350
62-64	1,225	1,500
65+	1,375	1,750

For Benefit Class 15C (Phase II):

Age	25 Years	30 Years
Any	$0	$1,000
57-59	1,000	1,250
60-61	1,250	1,600
62-64	1,350	1,750
65+	1,500	2,000

For Benefit Class 16:

Age	20 Years	25 Years	30 Years
Any	$0	$0	$2,000
57	900	1,200	2,000
58	950	1,300	2,000
59	1,000	1,400	2,000
60	1,050	1,500	2,000
61	1,100	1,600	2,100
62	1,200	1,700	2,200
63	1,300	1,800	2,300
64	1,400	1,900	2,400
65+	1,500	2,000	2,500

Contributory Credit Pensions Under Benefit Class 17A

	Years of Contributory Service										
Age	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	$1,500	$1,500	$1,500	$1,500	$1,500	$2,000	$2,100	$2,200	$2,300	$2,400	$2,500
56	-	1,500	1,600	1,600	1,600	1,600	2,000	2,100	2,200	2,300	2,400	2,500
57	$900	1,500	1,600	1,700	1,700	1,700	2,000	2,100	2,200	2,300	2,400	2,500
58	950	1,500	1,600	1,700	1,800	1,800	2,000	2,100	2,200	2,300	2,400	2,500
59	1,000	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
60	1,050	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
61	1,100	1,600	1,600	1,700	1,800	1,900	2,100	2,100	2,200	2,300	2,400	2,500
62	1,200	1,700	1,700	1,700	1,800	1,900	2,200	2,200	2,200	2,300	2,400	2,500
63	1,300	1,800	1,800	1,800	1,800	1,900	2,300	2,300	2,300	2,300	2,400	2,500
64	1,400	1,900	1,900	1,900	1,900	1,900	2,400	2,400	2,400	2,400	2,400	2,500
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500

Contributory Credit Pensions Under Benefit Class 17B

	Years of Contributory Service										
Age	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	-	-	-	-	-	$2,500	$2,600	$2,700	$2,800	$2,900	$3,000
55	-	$1,500	$1,500	$1,500	$1,500	$1,500	2,500	2,600	2,700	2,800	2,900	3,000
56	-	1,500	1,600	1,600	1,600	1,600	2,500	2,600	2,700	2,800	2,900	3,000
57	$900	1,500	1,600	1,700	1,700	1,700	2,500	2,600	2,700	2,800	2,900	3,000
58	950	1,500	1,600	1,700	1,800	1,800	2,500	2,600	2,700	2,800	2,900	3,000
59	1,000	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
60	1,050	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
61	1,100	1,600	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
62	1,200	1,700	1,700	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
63	1,300	1,800	1,800	1,800	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
64	1,400	1,900	1,900	1,900	1,900	1,900	2,500	2,600	2,700	2,800	2,900	3,000
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,600	2,700	2,800	2,900	3,000

Contributory Credit Pensions Under Benefit Class 18

	Years of Contributory Service										
Age	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	$2,000	$2,100	$2,200	$2,300	$2,400	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500
50	$650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

Contributory Credit Pensions Under Benefit Class 18 Plus

	Years of Contributory Service										
Age	**20-24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35 & Over**
Any Age	-	$2,000	$2,100	$2,200	$2,300	$2,400	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500
50	$650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

Disability Pension	• *Eligibility:* Under age 62 with 10 years of credited service and Benefit Class 4 or higher • *Amount:* For Benefit Class 18: $650 per month plus $50 for each year that the age at time of disability exceeded age 50 with a maximum benefit of $1,000. For other Benefit Classes: $265 per month until death or recovery from disability. At age 65, a disabled participant may elect to receive a normal retirement benefit instead.
Vesting	• *Eligibility:* 5 years of vesting service • *Amount:* Vested participants retiring after January 1, 1987 will get a Contribution-Based Pension. The Vested Pension is only for those retiring on or before January 1, 1987.
Pre-Retirement Death Benefits	Survivors may only receive one non-disability death benefit. **50% Surviving Spouse Benefit** • *Eligibility:* Married and either a vested participant or eligible for an immediate pension. • *Amount:* 50% of the pension that would have been payable under the Joint and 50% Surviving Spouse option. **60-Month Survivor Benefit** • *Eligibility:* Active participant with 20 years of credited service, married or with dependent children, and Benefit Class 4 or higher • *Amount:* 60 months' pension equal to the greater of $160 per month or the pension the deceased participant could have received under the lifetime with limited surviving spouse payment option. **Lump-Sum Death Benefit** • *Eligibility:* Active participant with 10 years of credited service • *Amount:* $4,000 under Schedule B, $2,000 under Schedule A, or $10,000 under Benefit Class 18 but not more than 50% of the contributions made for the participant. Survivor eligible for more than one death benefit must elect which one to receive if not covered under Benefit Class 18. **Disability Death Benefit** • *Eligibility:* Receiving a disability pension. • *Amount:* $1,000 of 50% of spouse's benefit **Lump-Sum Disability Benefit** • *Eligibility:* Age 45 with 10 years of credited service and not eligible for the disability pension. • *Amount:* $3,000 under Schedule B or $2,000 under Schedule A, but not more than 50% of the contributions made for the participant.

Optional Forms of Payment	For single participants: › Single Life Annuity for members of Benefit Classes 4 and higher, with a $1,000 death benefit › Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a $1,000 death benefit For married participants: › 50% Joint and Survivor Pension (QJSA) with pop-up provision, reduced from the single life annuity › 75% Joint and Survivor Pension (QOSA) with pop-up provision, reduced from the single life annuity › Single Life Annuity for members of Benefit Classes 4 and higher, with 60 months of payments guaranteed or, if the spouse does not survive to the pensioner's death, a $1,000 death benefit › Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a $1,000 death benefit upon the pensioner's death and a $500 death benefit upon the spouse's death
Benefit Transfer	Effective January 1, 2008, the responsibility to pay all benefits to non-retired UPS participants as of January 1, 2008 other than the Contribution-Based Pension Accrued Benefit payable at age 65 was transferred to the UPS/IBT Full-Time Pension Plan
Summary of Plan Changes Under Rehabilitation Plan	**Primary Schedule:** Except for plan withdrawals, preserves all current benefit provisions. Annually compounded contribution increases are required effective immediately after the expiration of the Collective Bargaining Agreement. For 2008 agreements, the increases are 8% for the first five years, 6% for the next three years, and 4% per year thereafter. Effective for retirements on or after July 1, 2011, participants will not be granted a retirement date prior to age 57, and effective June 1, 2011, required contributions will be limited to $348 per week for each participant covered by the National Automobile Transporter Agreement and $342 per week for all other participants. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer. **Default Schedule:** Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Default Schedule. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Effective for retirements on or after July 1, 2011, the early retirement reductions in the Default Schedule are based on actuarially equivalent factors rather than 6% per year from 65 and may not commence prior to age 57. Annually compounded contribution increases of 4% are required effective immediately after the expiration of the Collective Bargaining Agreement. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer.

Rehabilitation Plan Withdrawals: When a contributing employer is no longer required to make employer contributions to the Pension Fund under one or more of its Collective Bargaining Agreements as a result of actions by members of a Bargaining Unit, its representatives, or the contributing employer; the participants of that employer that have not yet commenced benefits shall be subject to the Adjustable Benefit reductions of the Default Schedule.

Distressed Employer Schedule: Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Distressed Employer Schedule, except for any participant that has achieved a minimum age of 55 and accrued a minimum of 25 years of Contributory Credit as of the date of the Distressed Employer's termination of participation in the Fund provided that the retirement is not prior to age 62. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Early retirement reductions are based on actuarially equivalent factors effective for retirements on or after July 1, 2011.

Changes in Plan Provisions

The following plan provision was changed and is reflected in this valuation:

- During the plan year ended December 31, 2014, 605 active participants and 1,116 inactive vested participants were first reported to be covered under the Default Schedule, Distressed Employer Schedule, or were subject to Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.

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